DOCUMENT RESUME

ED 460 288 CE 082 767

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TITLE Reasons for New Apprentices' Non-Completions.
INSTITUTION National Centre for Vocational Education Research, Leabrook (Australia).
SPONS AGENCY Australian National Training Authority, Melbourne.
ISBN ISBN-0-87397-788-2
PUB DATE 2001-00-00
NOTE 58p.; Study undertaken by National Institute of Labour Studies, Flinders University and Curtain Consulting. Survey field work by Market Equity.
AVAILABLE FROM National Centre for Vocational Education Research, 252 Kensington Road, Leabrook, South Australia 5068, Australia (Cat no. 685; $22 Australian). Tel: 08 8333 8400; Fax: 08 8331 9211; e-mail: vet_req@ncver.edu.au; Web site: http://www.ncver.edu.au. For full text: http://www.ncver.edu.au/research/proj/nr0002.pdf.
PUB TYPE Reports - Research (143)
EDRS PRICE EDRS Price MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS *Academic Persistence; *Apprenticeships; Developed Nations; *Dropout Attitudes; Dropout Research; Dropouts; Educational Research; Employer Employee Relationship; Foreign Countries; Off the Job Training; On the Job Training; Postsecondary Education; School Business Relationship; School Holding Power; *Trainees; *Withdrawal (Education); *Work Environment
IDENTIFIERS *Australia

ABSTRACT

A study explored behavioral factors to explain why non-completions were higher among trainees than apprentices. A survey of 797 apprentices and trainees who did not complete training and 462 of their employers was followed by focus groups with new apprentices, employers, and training providers. Findings indicated most new apprentices commenced their apprenticeship or traineeship because they wanted the work; a significant minority said they were obliged to commence as a condition of taking the work or as a suggestion from their employer; most felt well-informed about what their apprenticeship would entail; trainees felt less well informed; 3 in 4 liked their work colleagues; 3 in 5 agreed their workplace was a good place to work; 27 percent took part in on- and off-the-job training; 54 percent took part in one or the other; 19 percent claimed they did not take part in any training; in 86 percent of the cases, the contract of training was severed at the same time as the employment relationship; and most did so because of something to do with the employment relationship, not the training. Contributory factors to leaving were being treated as cheap labor, not learning anything, and being bullied at work. These three ways to reduce non-completion were suggested: improving the fit between new apprentices and employers, improving the in-work experience, and better assistance for older new apprentices. (Appendixes include 10 references and the study design.) (YLB)

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Mark Cully

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NCVER

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ISBN 0 87397 788 2 print edition
ISBN 0 87397 789 0 web edition

TD/TNC 67.59

Published by NCVER

ABN 87 007 967 311

252 Kensington Road, Leabrook, SA 5068

PO Box 115, Kensington Park, SA 5068, Australia

www.ncver.edu.au

Foreword

This research was initiated by the Chief Executive Officers' Committee of ANTA in early 2000, in response to the rising level of concern about the number of new apprentices that appeared to be leaving their contracts of training before completing their qualifications. Studies by the federal Department of Training and Youth Affairs (DETYA) suggested that non-completions amongst apprentices in the traditional skilled trades could be around 30%, whilst amongst trainees the rate of attrition was around 45%.

It was not clear why new apprentices did not complete their training. Some commentators suggested that the growth in the number of new apprentices in recent years had led to a decline in the overall standard of their training. However, there was little reliable evidence at a national level to assess these claims. In order to clarify the dynamics behind new apprentices' non-completions, the ANTA chief executive officers referred the question to the National Centre for Vocational Education Research (NCVER), with a view to funding a national study of the reasons for new apprentices' non-completions. The study was undertaken by the National Institute of Labour Studies at Flinders University, Adelaide, and Curtain Consulting. This report summarises the findings of that study. The authors show that the reasons why new apprentices do not complete their training are more often concerned with issues in the workplace than with problems encountered with training undertaken. Such issues include leaving for a higher paid job, dismissal or redundancy, and relations with managers or supervisors. The report also highlights the fact that non-completion of training is not always a poor outcome for new apprentices. Three-quarters of non-completers in this study were in full-time employment and the vast majority were receiving higher pay and working in better conditions than before. This is particularly true for young people.

These are important findings for the vocational education and training system and caution us against hasty judgements. I am sure that the report will make a valuable contribution to our understanding of why people decide not to complete an apprenticeship or traineeship and what happens to them in that eventuality.

Chris Robinson
Managing Director NCVER

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Acknowledgements

This project involved work and assistance from a great many people, to whom we are indebted.

The project reference group never met in person but spent many hours on the telephone finetuning questionnaires and reviewing this report in its iterative stages. It consisted of:

- Dr Andy Smith, National Centre for Vocational Education Research (NCVER)
- Jessie Borthwick, NCVER
- Steve Bain, Australian National Training Authority (ANTA)
- George McLean, Victorian Office of Post Compulsory Education, Training and Employment
- Judy Bertram and Paul Keefe, Queensland Department of Employment, Training and Industrial Relations
- William Thorn, Commonwealth Department of Education, Training and Youth Affairs (DETYA)

Special thanks must go to Jennifer Gibb who administered the contract from NCVER's side and was a veritable font of information, advice and useful contacts.

To generate the sample for the survey required assistance from David John and Sandra Pattison of NCVER. This information was then passed on to State/Territory training authorities that provided us with the details necessary to contact the sample members. Thanks to Rebecca Brown (WA), Catherine McClelland (NSW), Bill James (Qld), Chris Galloni (SA), Lloyd Edwards (Vic), Dennis Sutton (NT), Paul Fennell (ACT) and Daniel Albert (Tas).

Market Equity conducted the survey fieldwork, led by the redoubtable Ann Bentley. More than 1250 people—former apprentices and trainees, and employers—freely gave their time to take part in the survey, in the belief that some good might come of it. We are very grateful for their contribution.

Data processing and initial analysis of the survey data was done in-house at the National Institute of Labour Studies by Rebecca Goodes, whose valuable services have since been purloined by the Australian Bureau of Statistics, and Diana Ilsley, her replacement.

Focus groups were held in Adelaide, Melbourne and Sydney. We thank all of those who took the time to participate in these groups, and Ian Colley who conducted the two Sydney sessions on our behalf. We also thank Pat Wright of the University of Adelaide who made facilities available in Adelaide and Jill Favero, Kerry Luke and Inge at Kangan Institute of Technical and Further Education for doing the same in Melbourne.

Finally, Lindy Dodd at the National Institute of Labour Studies made the draft report shipshape.

Executive summary

Introduction

'New apprenticeships' is the umbrella term used to group apprenticeships and traineeships. Both arrangements are for combining employment with training leading to formal, nationally recognised qualifications. Since 1994, the numbers working under these arrangements have grown rapidly, roughly doubling between 1994 and 1999 to over a quarter of a million.

Along with a rise in the number of those undertaking new apprenticeships has been an increase in the number of those who, for whatever reason, fail to complete their training. In 1999 around 60 000 people fell into this category. There is evidence that the number of those who start but do not complete has increased slightly in the second half of the 1990s. More importantly, the non-completion rate is far higher for trainees than that for apprentices although the former is still on a par with normal rates of labour mobility for young people.

The purpose of this study was to explore the behavioural factors which might explain why non-completions might be higher among trainees than among apprentices and, more generally, what causes a non-completion. If there are systemic factors and they remain unaddressed, numbers for those failing to complete will continue to move in tandem with new commencements. Our focus was on both elements of the new apprenticeship—the contract of employment as well as the contract of training. Too many recent reviews of the new apprenticeship system had, we felt, neglected the employment aspect.

As well as having a dual focus, we also adopted a dual perspective by involving both parties in the study. This consisted of a survey of 797 apprentices and trainees who did not complete their training, and 462 of their employers, followed by several focus groups with new apprentices, employers and training providers, in which the survey findings and possible remedies to lower attrition rates were discussed. The study is fully representative of non-completers but has one major limitation: we are not able to say how and why non-completers are different from those who do complete their training—we can only identify the leaving factors that are *relatively* important among non-completers.

Different types of new apprentices

We have already pointed to the need to distinguish apprentices from trainees because of their differential rates of non-completion. Apprentices were defined as those working in a trades occupation whose contract of training was to lead to an Australian Qualifications Framework (AQF) level III certificate or higher. One in three non-completers were apprentices when defined this way, while the remaining two-thirds were trainees. Three other ways of dividing up new apprentices also proved important in our study, in explaining the differing motivations and expectations that people brought to their work and training:

- Age: most non-completers were young—over half were under 21 years of age—but a significant proportion were older, reflecting high growth in commencements among this group. One in four of all non-completers were aged 25 years or more, almost all of them (94%) trainees.
- New versus existing employees: the sample was equally split between those who were hired new to the organisation and began their apprenticeship or traineeship, and those who had been working there for some time before commencing their training. Three in four of the existing employees were trainees.

- Employer size: almost two in three of all non-completers worked in small organisations (i.e. those with less than 100 employees). Apprentices in particular were heavily concentrated in small organisations, with all but one in ten working there. By contrast, trainees were found in organisations of all sizes.

What did new apprentices expect from their work and training?

Most new apprentices commenced their apprenticeship or traineeship because they wanted the work. This was the case for over half of new employees, be they apprentices (54%) or trainees (62%). Trainees, in particular, were rarely motivated by a desire to obtain a qualification. For newly commencing trainees, just 16% said their main objective was to get a qualification, while 23% of existing employees who started a traineeship said this was the case.

There was also a significant minority of new apprentices who said that they were obliged to commence, either as a condition of taking the work, or because they were existing employees whose employers suggested it. More than half (54%) of those who were existing employees who went on to commence a traineeship fell into this category.

Most new apprentices considered themselves to be well informed about what their apprenticeship or traineeship would entail. Somewhere between 60% and 85% agreed with each of five statements covering their expectations ranging from 'I was given good information about what to expect' (which generated the least agreement) through to 'I had a good idea of the skill level required of me' (which generated the most agreement).

In comparison with apprentices, trainees, as a whole, reported themselves to be less well informed. This may be because of the relative longevity of apprenticeships as a pathway to labour market entry and, because of the rapid rise in traineeship commencements, many are in areas where these arrangements are new. Both these factors would tend to hinder the ready accessibility of information for those starting traineeships.

In-work experience of new apprentices

New apprentices were more circumspect in assessing their working environment. Three in four agreed that they liked their work colleagues, and three in five agreed that their workplace was 'a good place to work'. There was less agreement, matched by equal levels of disagreement, with the statements that 'I was paid well' and 'Managers listened to employees in making decisions'. Overall, there were many new apprentices who did not have a favourable experience at work. Those working for smaller employers were somewhat less likely to have a favourable experience.

The other element of the new apprenticeship to consider is the training. Apprentices and trainees (and their employers) were asked about the provision of training, whether they had a training plan and whether they discussed their training needs with their employers. Just over a quarter of new apprentices (27%) took part in both on-the-job and off-the-job training, 54% took part in one or the other, while the remaining 19% claimed that they did not take part in *any* training—a remarkable finding, if true.

For the 81% who said that they had participated in training, this is of most value where the training is structured—that is, if it develops transferable skills that are nationally recognised because they follow a formal training program. Using the survey, we defined structured training as: taking part in off-the-job training, or a program of on-the-job training, the content and structure of which is described in a training plan. Applying this definition, 61% of new apprentices, on their accounts, took part in structured training—58% of trainees and 66% of apprentices. Participation was positively related to how much of their apprenticeship or traineeship they had completed, but there were still significant minorities—one in five apprentices and three in ten trainees—who had not taken part in any structured training despite the fact that their training had almost drawn to a close.

Employers' accounts differed considerably from those of apprentices and trainees. All but 3% reported that they provided structured training consistent with the definition above.

Why did they stop their contract of training?

In seven out of eight cases (86%) the contract of training was severed at the same time as the employment relationship—that is, non-completion largely arises because apprentices and trainees stop working for that employer. Most do so, it seems, because of something to do with the employment relationship, rather than anything to do with the training *per se*.

Just over half of all new apprentices reported that they stopped their training for job-related reasons. Among the remainder, one in five stopped because the employer initiated it (i.e. they were made redundant or dismissed), one in six for reasons to do with training (e.g. to transfer to another apprenticeship or traineeship) and one in ten for personal or other reasons. These accounts are very similar in magnitude to those given by employers, which suggests we should take them at face value.

The decision to separate was made, in more than half of cases, by the apprentice or trainee—again, an account confirmed by employers. However, one in four new apprentices said the decision was forced on them, while just one in ten employers thought this was the case.

Among the contributory factors in the decision to go, the one which elicited most agreement among apprentices and trainees was their being treated as cheap labour. Almost half of all new apprentices were of this view. While training was not the principal factor in the decision to stop in most cases, for 29% of new apprentices their belief that they weren't learning anything was a contributory factor. More alarmingly, 23% of new apprentices felt that they had been bullied at work and that this had motivated them to stop.

What are they doing now?

In considering why people stopped their jobs and training, we must also consider what alternatives were open to them and what happened to them subsequently. The survey identified the current employment and education status of the former apprentice and trainee between nine and 21 months after stopping their training.

Almost three in four (73%) changed jobs, which, happily, for two in three movers turned out to be both better paying and to have superior working conditions. Those who did not rate their former workplace highly were much more likely to believe themselves now better off.

Nine per cent of former new apprentices remained with the same employer. Nearly all of these were trainees, most of whom were 25 years or more in age. There were 14% of new apprentices who were unemployed. This proportion was highest among those whose departure had been initiated by the employer. Finally, 5% had left the labour force altogether—unsurprisingly, this was most common among those who stopped for personal or 'other' reasons.

We were also able to identify any ongoing participation in education and training among the apprentices and trainees. The most dramatic finding was that 44% of apprentices were not, strictly speaking, non-completers—that is, they had gone on to recommence their apprenticeship with a different employer. This was the case for only 11% of trainees. Among those who had left their new apprenticeship for training-related reasons, one in three had recommenced training with another employer.

In addition to those recommencing, a further 12% of new apprentices had remained within the education system by either taking up full-time study (6%) or part-time study (6%). Nonetheless, by far the most common outcome—for 49% of apprentices and 76% of trainees—was to not take part in any form of education or training.

Summing-up

Three key findings arise from this study to raise issues for policy makers and training providers. The first is that many trainees had, at best, only a tenuous connection to the training aspect of their new apprenticeship. Compared with apprentices, trainees were:

- more likely to say they were obliged to undertake training and less likely to say they wanted a qualification
- less well informed about what the training would entail
- less likely to have participated in structured training
- less likely to have left for training-related reasons
- more likely to stop training, but remain with the same employer
- much less likely, if they had changed jobs, to have recommenced training

Part of these differences is explained by differences in the characteristics of apprentices and trainees. For example, trainees were much more likely to be older and to be existing employees—areas where much of the recent growth in commencements has occurred.

A second key finding is that many non-completers had an unsatisfactory working relationship. Around two in five did not think their workplace was a good place to work, and a similar proportion was not happy with their boss. More than half left because of reasons related to the work, while approaching half felt they were being used as cheap labour and a quarter felt they were being bullied. While we have no evidence to say that completers have a better time of it at work, it is reasonable to infer that unsatisfactory working relationships are inimical to completion.

The third key finding is to do with problems in the provision of training. While training, or the lack of it, was not the prime motivator for most in the decision to stop, it *was* for one in six new apprentices. Moreover, 29% said a contributory factor to them leaving was because they believed they were not learning anything. Finally, according to non-completers, one in five took part in no training at all, while only three in five took part in the kind of structured training that is the benchmark of new apprenticeships—if they are to be believed over their employers, then something is awry in monitoring and quality.

Ways of reducing non-completion

We have drawn on these three key findings to partially shape our ideas for ways of reducing rates of non-completion. These consist of:

- improving the fit between new apprentices and employers by
  - pre-engagement personal capability assessments for new apprentices
  - clearer specification of requirements by employers
  - better linkages/incentives for intermediaries and employment brokers
  - more effective matching arrangements
- improving the in-work experience by
  - offering post-take-up support
  - requiring employers to observe a fair employment standard
  - making the services of an ombudsman available to resolve disputes
- better assistance for older new apprentices

In addition, it is also important that non-completion is recognised within the training system as a key performance issue. This will require revisions to administrative data collection so that rates of completion and non-completion can be adequately monitored, and remedial action taken where required.

1 Introduction

In 1999, around 60 000 people who were part-way through a contract of training—known as a new apprenticeship—stopped. Why they did so is the focus of this study. To set the context for the study, this introductory chapter looks at the new apprenticeship system, including recent rapid growth in commencements, how we define non-completion and whether, on the face of it, it constitutes a problem. Our approach is not to dwell on the intricacies and quality of the training system, but to treat non-completion as a phenomenon that is closely analogous to job mobility.

The new apprenticeship system

'New apprenticeships' is the generic name given by the Commonwealth Government to structured entry-level work-based training. However, many States and Territories, both in their relevant legislation and in practice, refer to apprentices and trainees as separate entities. Therefore, it is necessary to understand the nature of the employment-cum-training contractual arrangements in law to understand what it is that participants are completing or not.

According to the Federal Government, 'a main objective of the new apprenticeship system is to ensure that Australian enterprises have access to a pool of skills of world-class quality'. However, the training function of new apprenticeships is not paramount in law or, in many cases, in practice. Traditional apprenticeships and the more recent traineeships are based on both a contract of employment and a contract of training, with legislation governing the latter subservient to legislation governing the former (Mitchell et al. 1999). In terms of labour market function and supporting administrative arrangements, it is possible to make a clear distinction between apprenticeships and traineeships.

These distinctions also reflect the different expectations the participants bring to the workplace. As we will show, people enter new apprenticeships for different reasons—many do so for employment-related reasons, while others do so with training as their primary goal. Employers also have different reasons for taking on new apprentices related to whether employment or training is paramount.

To work well as a system that combines both training and employment, the employment-based training model needs to meet the training and employment needs of both employers and the apprentice/trainee. Apprentices and trainees expect to acquire transferable skills and to be adequately compensated for their labour. Employers expect loyalty, dedication and a commitment to learn on the part of the apprentice/trainee, and certain standards of behaviour and productivity on the job.

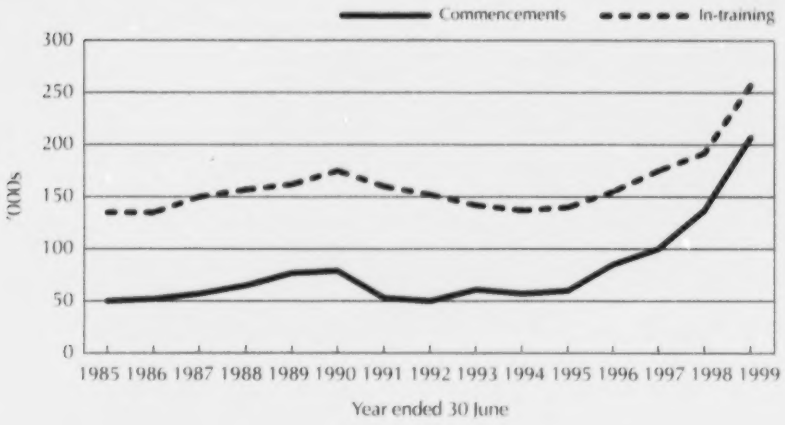
The extent to which the expectations of either party overlap at the beginning of the contractual relationship and how much they change over time are likely to be important in explaining the factors behind non-completion. The basis of the apprenticeship/traineeship system in employment is both its strength and its weakness. The acquisition of skills in the workplace under normal working conditions provides the apprentice/trainee with the opportunity to learn in context. However, there is always a danger that the employment relationship dominates and the opportunity to acquire skills through structured training is relegated to a minor role.

Take-up of new apprenticeships

During the year ended 30 June 1999, just over 200 000 people commenced (or re-commenced) a new apprenticeship. The total stock of apprentices and trainees at this time

stood at 256 500. In figure 1.1 we present data on how the flow and stock of commencements has changed over the past 15 years. This shows a largely cyclical pattern up to 1994, which is then followed by a dramatic up-turn in the combined number of apprentices and trainees commencing training and in-training. Most of this is attributable to growth in the number of trainees (or, more precisely, to those commencing new apprentices at Australian Qualifications Framework (AQF) levels I and II, and AQF level III or IV but with a duration of no more than two years). By contrast, apprentice numbers (i.e. those doing an AQF level III or IV with a duration of more than two years) remain below the peak of the late 1980s.[1]

Figure 1.1: Number of apprentices and trainees commencing training and in-training, 1984–85 to 1998–99



Source: *Apprentices and trainees in Australia, 1985 to 1999*, NCVER, 2000

One of the features revealed in the figure is an apparent narrowing gap in more recent years between commencements and the number in training. This is due to two factors.

First, the number commencing traineeships (which are, by definition, of a shorter duration than apprenticeships) has grown exponentially, tripling between 1995–96 and 1998–99. For each of the past four years the number of trainees commencing has exceeded the number of apprentices, such that by June 1999, the numbers in training in both groups were close to parity—whereas four years prior to that apprentices in training out-numbered trainees by four to one.

The second factor is that the number of those who commence but do not complete has grown in tandem with commencements.[2] To illustrate, the number of commencing trainees for each of the four years up to and including 1999 has been greater than the number in-training at the end of the year, a fact which can only be reconciled through a high level of withdrawals and cancellations as well as completions. As already identified, there were 60 000 recorded episodes of non-completion in 1999.

In summary, State/Territory training authorities and Commonwealth agencies have been enormously successful in encouraging employers and employees to opt for this form of structured vocational training. At the same time, the factors which lead those commencing training to cancel or withdraw from it, especially trainees, have not been adequately identified or addressed.

[1] Note that the definition used here is not consistent with that used in this study, where apprentices were defined as those employed as a tradesperson working towards an AQF level III or IV qualification. All others were defined as trainees.

[2] The overall rate of non-completion has also been rising, though this is related to the first factor in the sense that it is mainly rising because of the growing proportion of trainees in the stock—within the sub-groups of apprentices and trainees rates of non-completion are broadly stable or have increased only slightly.

What is non-completion?

Non-completion arises whenever the contract of training *or* the contract of employment is terminated, as shown in box 1.1. Only where both contracts are ongoing can the new apprenticeship result in completion. The most common form of non-completion is where the contract of employment is terminated, which by default also terminates the contract of training. The apprentice/trainee does have the option here of recommencing their training with a new employer—where this happens, it is strictly treated as a non-completion followed by a recommencement, even though in a less literal sense the training is clearly ongoing. Less common is where the apprentice or trainee withdraws from, or cancels, the contract of training, but the contract of employment is ongoing. In these circumstances, the apprentice or trainee has preserved their job, but the training component has become less important either to themselves or to their employer (or both).

Box 1.1 How completion and non-completion arises

Contract of training	Contract of employment	
	Continuing	Stopped
Continuing	Completion	Non-completion (recommencement)
Stopped	Non-completion (by choice)	Non-completion (by default)

Having defined non-completion we can then attempt to measure the scale of it. The absolute level of non-completion is largely a function of the number of commencements. A more salient measure is the *rate* of non-completion or 'attrition' in the system. This is not straightforward to measure because of difficulties in establishing a precise denominator. Ideally, one would want to know what proportion of a given cohort of commencements go on to complete, or not to complete, their training. Such information is not held consistently across the country by the training authorities. This has given rise to the use of proxy measures of (non-) completion, such as the numbers completing in a given year as a percentage of those commencing in the same period. As the number and composition of new apprenticeships has altered so much in recent years, this proxy measure is inherently unreliable.

With this background in mind, the Department of Education, Training and Youth Affairs has begun to examine more closely the issue of attrition rates. Grey et al. (1999) analysed the level of non-completion of apprentices who commenced between July 1994 and June 1996, and estimated an attrition rate of between 20% and 30% for the apprentice intakes studied. Ray et al. (2000) found that for traineeships commencing in 1996, the attrition rate was 44%. These estimates are broadly consistent with others summarised by the National Centre for Vocational Education Research (NCVER 2001), from which we can conclude that the rate of non-completion for trainees is about double that for apprentices, and the rates for both have risen slightly since the mid 1990s.

Is non-completion a problem?

These rates need to be put into context. It remains the case that apprenticeships and traineeships are mostly undertaken by young people, many of whom are in the transition period between leaving the schooling system and an adult life of work. This is the period when many young people, whatever their circumstances, are in the process of searching for work, study and career opportunities that maximise their own potential. Approximately half of the job moves made over the life course are, on average, made before a person turns 30. This searching proceeds, for many young people, in fits and starts—a process that has been dubbed 'job shopping'. It is no surprise, therefore, to observe that attrition rates across a range of activities are very high for young people. This includes higher education, where attrition rates in the first year of study are very high

(McInnis et al. 2000), and employment (with no associated structured training component) where attrition rates are very high among those in their first post-schooling job.

What this means is that at least some of the non-completions we observe in new apprenticeships are normal and to be expected—indeed, it may be healthy if they contribute to the job-matching process and endow people with work-related skills that can be applied even though no formal qualification may result from it. Our task is to get behind the broad incidence and demographic characteristics of non-completion, which has been the basis for the studies mentioned above, to focus more on the *behavioural* reasons for non-completion. Depending upon what these reasons turn out to be, it may necessitate some policy response which endeavours to lower current rates of non-completion.

Objectives of study

The main objective of this study is to explore the reasons for non-completion, and to put forward strategies for reducing the scale of the problem. To date, studies of apprentice or trainee attrition have been limited by their reliance on administrative records. These are limited sources of information on non-completing new apprentices due to the narrow range of variables on which they provide data.

This study was designed to overcome this weakness by collecting original data directly from the parties involved. The key features of the study are:

- a focus on employers as well as non-completing apprentices and trainees
- the collection of data from employers and non-completing apprentices/trainees on both the training and employment aspects of the contractual relationship to identify differences for employers and former employees in terms of their expectations about the relative importance of training and employment
- working through possible strategies for reducing non-completion with those who have been through the experience

The employment relation and the contract of training

The perspective we use in the study is based on an analysis of the key actors' choices taken within particular institutional settings that shape how labour markets work. Our starting point has been an understanding of the dynamics of the employment and training relationship between the apprentice or trainee and the employer, with particular attention paid to the expectations of both parties.

We start with the assumption that individuals as suppliers of labour, and employers as purchasers, freely choose to enter an employment-cum-training contract (Marsden 1999). They make free choices but often do so on the basis of access to limited information. In other words, we assume that individuals make decisions with a view to maximising their welfare but that their ability to calculate and process information is limited. We also assume that the information they do have is of variable quality and that there is considerable uncertainty about either party's expectations of the relatively complex employment and training arrangements that constitute new apprenticeships.

Dockery (1996, p.9), in discussing the operation of the apprenticeship system in Australia, notes that the uncertainty stemming from lack of information is an important feature of how the apprenticeship system departs from a simple neo-classical labour market model:

> *For a young person entering an apprenticeship, there is a great deal of uncertainty regarding their potential success and earnings in alternative pathways: the future employment prospects for the relevant trade and for themselves as an individual within that trade; whether or not they will complete the apprenticeship and what quality of training the employer will provide. Equally for the employer, uncertainty exists regarding the quality of the apprentice, which can have a major effect on the cost of training via the requirement for supervision and the output of the apprentice over the training period, how many skilled workers the firm will need in the future; whether demand over the coming four years will be adequate to justify recruiting an additional apprentice and how long the apprentice will remain with the firm once trained.*

The uncertainties facing new apprentices and their employers stem from the open-ended nature of both the employment and training contracts. The essence of an open-ended employment contract is that only a general indication of the range of tasks to be carried out is given by the employer in advance, with the precise directions to be provided in time and in response to changing circumstances. A tightly defined set of duties and limits to managerial authority is not possible because they are a number of aspects of the work situation that cannot be specified in a way that enables the work to be done flexibly (Marsden 1999).

This applies particularly to structured arrangements combining employment and training. It has been claimed that the greatest benefits of apprenticeship to the employer and apprentice derive from acquiring the tacit knowledge of how to behave in the workplace. This refers to soft or affective 'skills' such as self-discipline, reliability, attention to detail, and respect for peers and teachers (Ryan 1998). Practical, 'hands-on' experience gained though on-the-job training offers the apprentice or trainee the opportunity to acquire the tacit knowledge that classroom instruction cannot provide.

The open-ended nature of the employment and training relationships suggests that the expectations of new apprentices and employers will vary greatly in relation to each other, with widely differing degrees of overlap. This goes beyond providing potential new apprentices good information beforehand about pay and conditions, or ensuring that an employer has good background information on the prospective recruit in the form of references. This background information, if adequate, is still not likely to do more than provide a small overlap in the understanding that each party has of the other and the nature of the work and learning involved. In most cases, the true test of the pudding is in the eating.

As previously mentioned, in most cases non-completion is a secondary outcome of the employment contract being terminated. This indicates a mismatch in preferences between the parties. Workers leave jobs voluntarily where they believe they can get more 'utility' by moving (e.g. better terms and conditions) after taking into account the costs associated with moving. Employers initiate job loss either for economic reasons (i.e. redundancies/ firm closures) or where they are dissatisfied with individual worker quality leading to dismissal.

Our contention is that non-completions largely arise because of a mismatch between prior expectations on the basis of imperfect information and the subsequent in-work experience in both the employment and training relationship. What remains to be established is whether frustrated expectations arise in the employment or the training domain, or in both.

Structure of study

To study the issue of non-completion, a research design was developed in conjunction with NCVER (and the project reference group) to conduct an original survey of 100 non-completers in each State/Territory and their, in most cases former, employers.[1] Survey results are weighted so that the distribution of non-completers by apprentice and trainee, by gender and by State/Territory exactly matches that of the population from which it was drawn (i.e. all recorded episodes of non-completion in 1999). The survey was followed by a number of focus groups, where the survey findings were presented and probed to yield some qualitative depth, and possible strategies for reducing the level of non-completion were discussed. The appendix describes the methodology in detail.

Characteristics of non-completers

Table 1.1 shows the background characteristics of surveyed non-completers, broken down by whether they were apprentices or trainees. The first two columns show the composition of apprentices and trainees in that group—for example, taking the first row of the table, 30% of non-completers in the Australian Capital Territory were apprentices and 70% were trainees. These numbers can be compared with the total mix of one-third apprentices and two-thirds trainees to see if either group is relatively under- or over-represented. The third column shows the proportion of all non-completers accounted for

[1] The precise numbers surveyed were 797 former apprentices and trainees and 462 employers.

in that group. Sticking with the same example, 2% of all non-completers were located in the Australian Capital Territory.

Table 1.1: Background characteristics of non-completers, by whether apprentice or trainee

	Apprentices	Trainees	Total
	Row %	Row %	Col. %
State/Territory			
Australian Capital Territory	30	70	**2**
New South Wales	25	75	**25**
Northern Territory	30	70	**1**
Queensland	30	70	**28**
South Australia	40	60	**8**
Tasmania	28	72	**3**
Victoria	43	57	**26**
Western Australia	32	68	**7**
Gender			
Male	47	53	**55**
Female	16	84	**45**
Age			
Less than 18 years	52	48	**25**
18 to 20 years	42	58	**36**
21 to 24 years	29	71	**13**
25 years and over	6	94	**26**
Prior work experience			
No previous job	50	50	**15**
No full-time job	44	56	**22**
1 to 3 full-time jobs	29	71	**41**
4 or more full-time jobs	16	84	**19**
Existing employee			
Yes	25	75	**49**
No	42	59	**51**
Organisation size			
Less than 100 employees	48	52	**63**
100–999 employees	13	87	**16**
1000 employees or more	10	90	**21**
Employed by GTC			
Yes	30	70	**20**
No	35	65	**76**
Total	**33**	**67**	**100**

Source: Data derived from the new apprenticeship non-completion surveys

Notes: Results are weighted to take account of differential sampling fractions (see appendix for details)
Row percentages do not always add to 100 because of rounding. Column percentages do not always add to 100 because of rounding and missing responses (i.e. don't know or did not answer).

It is important to note that the distribution of non-completers across these characteristics does not, of itself, identify any causal association with non-completion. Levels of non-completion are determined by commencement levels and attrition rates. More commencements will result in a higher incidence of non-completion if attrition rates are steady. This may explain why, for example, Queensland has a greater proportion of non-completers than any other State or Territory.

Among the findings to be gleaned from this table:

- State/Territory: most non-completers were from Queensland, New South Wales and Victoria. As already mentioned, the proportion from a given State is determined by the number of commencements as well as the rate of non-completion, so we cannot say whether some parts of Australia are more or less susceptible to non-completion. Apprentices were more likely to be found in South Australia and Victoria, trainees in other parts of Australia.
- Gender: male non-completers were more or less equally split between apprentices and trainees, while female non-completers were much more likely to have been trainees.
- Age: most non-completers are young, but a substantial minority, more than one in four, are aged 25 years or more. Of this group, almost all were trainees, whereas the youngest non-completers were equally split between apprentices and trainees.
- Prior work experience: consistent with the age breakdown, 15% of all non-completers had no prior work experience of any kind, and a further 22% had never had a full-time job. In these two groups, there was a fairly even mix of apprentices and trainees. Where non-completers had previously been in full-time employment, they were much more likely to have been trainees.
- 'Existing' employee: a half of all non-completers reported that they were already working for the employer when they commenced their new apprenticeship. This proportion is appreciably above expectations, suggesting possible misinterpretation of the question by some respondents. The data does confirm, however, that those identifying themselves as existing employees were more likely to have been trainees.
- Organisation size: two out of three non-completers were working in small organisations (i.e. those with fewer than 100 employees). These were equally split between apprentices and trainees. Very few apprentices were working in organisations larger than this.
- Group training company (GTC): one in five non-completers stated that they were employed by a GTC. They were slightly more likely to have been trainees. Of those employed by a GTC, 29% (representing 6% of all non-completers) said that they had spent time at more than one workplace before withdrawing or cancelling.

Outline of report

In the following chapters we look successively at the sequential stages of non-completion, from commencement in chapter 2, to the in-work experience of new apprentices in chapter 3, followed in chapter 4 by the severing of the training/employment contract, and then what happens after that. Throughout, we interweave findings from the matched survey and the focus groups. In the final chapter, we consider a number of possible strategies for reducing non-completion. The preceding chapters will have highlighted various systemic issues. We talk about the scope for our strategies in attenuating these, and also incorporate feedback obtained from focus group participants.

Limitations of study

No study can ever seek to come up with definitive answers to a stated problem, and this one is no exception. Had more time and resources been at our disposal, we would have wanted to conduct a longitudinal study of a group of newly commencing new apprentices.

As it stands, what we have is a study that is representative of new apprentices who cancelled or withdrew from their training sometime in 1999—it is *not* a representative study of all new apprentices who were in the system in 1999. Likewise, the employers we have surveyed are, for the most part, ex-employers of ex-new apprentices. They cannot be said to be representative of all employers—indeed, to the extent that it is the employer which is the cause of non-completion the sample would be a biased one from which to attempt to generalise about employers of new apprentices.

It is important to be mindful of these qualifications when reading the report.

2 Commencement of training

Why do employers hire new apprentices?

Around one in three surveyed employers (34%) had not made use of the training system until the advent of new apprenticeships in January 1998. Prior to this time 42% had employed apprentices and 29% had employed trainees (with 12% employing both). There were also 7% who did not know the situation prior to January 1998.

Employers put forward three principal reasons as to why they make use of new apprentices. The most common was to develop skilled workers for the industry (37%), followed by developing skilled workers for 'this organisation' (25%) and finally to 'give young workers a start' (20%). Just 8% said that the availability of government subsidies was their main motivation.

These responses were associated with use of the training system prior to January 1998. In particular, those who had not previously employed apprentices or trainees were less likely to say that their motivation was to develop skilled workers for the industry (30%), and were more likely to say their interest was to meet organisational needs (29%) and to acquire government subsidies (14%).

Nonetheless, a clear majority of employers of all types put forward reasons that went beyond their own private interests. It is easy to be cynical of lofty sentiments such as these. Yet, they are consistent with findings on the distribution of the costs associated with apprenticeships which show that employers rarely make a direct 'return' on their investment in this form of training—that is, over the lifetime of the training, the costs to the employer typically exceed the productive contribution (including government subsidies) that the apprentice or trainee makes to the business (Dockery, Norris & Stromback 1998). This seemingly irrational state of affairs can be explained by two forms of indirect returns. The first is that a supply of skilled workers is required to sustain an industry, and individual employers, especially larger ones, may recognise that poaching will lead to an under-investment and skill shortages. The second is the loyalty 'bonus' that comes from having trained up new or existing employees oneself rather than directly recruiting skilled employees.

This is not to say that government subsidies have no effect. Two-thirds of employers stated that they 'strongly agreed' or 'agreed' that it was a 'big inducement' to take on apprentices and trainees. Table 2.1 shows how this and other statements about aspects of the new apprenticeship system varied by organisation employment size.[4] What comes through most strongly in this table is an endorsement of the value of training and the new apprenticeship system in general—this from a sample whose experience with non-completion might give them cause to be more sanguine.

The association between organisation size and tendency to agree with these statements is not linear or entirely consistent. It is smaller rather than larger employers who were (slightly) more likely to advocate the benefit to industry as a whole, while medium-sized employers were the ones who paid the greatest heed to the availability of subsidies. Finally, except for a relatively small proportion of small employers, there was near universal support for the relevance of the training provided.

[4] Please note the results in this table are *not* generalisable to all employers, as the sample population is the employers of non-completing apprentices and trainees.

Table 2.1: Percentage of employers who agreed with statements about the new apprenticeship system, by organisation size

	Less than 100 employees	100 to 999 employees	1000 or more employees
If we didn't take on new apprentices then there would not be enough skilled workers around	87	80	79
Government funding is a big inducement for us to take on more apprentices and trainees	65	82	59
You get much more loyalty from people that you train up yourselves	71	65	82
The training that new apprentices get is relevant for this workplace	86	99	95

Source: Data derived from the new apprenticeship non-completion survey of employers
Note: N=441. Results are weighted (see appendix for details)

Reasons for commencing new apprenticeships

At the outset of the survey, non-completers were asked to nominate their main reason for deciding to commence training. The most common response, put forward by 27%, was to obtain a recognised qualification or certificate. Almost as common a response was because the person 'wanted to work in a job of that kind', stated by 23% of respondents. This was followed by 15% whose employer either suggested or told them to undertake training, and 14% who simply wanted any job.

The entire range of responses can be condensed into three principal categories: first, those who wanted a job, whether this specific job or not (43%); second, those who wanted to obtain a qualification (27%); and, third, those who felt obliged to do it, whether as a condition of the job, or at the suggestion of the employer or some other party such as Centrelink (28%).

In table 2.2 we show how the reasons for commencement differ according to whether the new apprentice was an apprentice or trainee and whether or not he or she was an existing employee. From this table, several observations can be drawn. The first is that new employees, be they apprentices or trainees, were more interested in obtaining a job than the qualification. While we cannot establish whether this finding would also hold in the broader population of all new apprentices (i.e. not limited to non-completers), it might indicate something about the relative priorities of those who went on to become non-completers. Second, apprentices were more likely than trainees to say they were motivated by obtaining a qualification, irrespective of whether they were a new or an existing employee—and, in the case of new employees, by a considerable margin. The third finding, a corollary of the last, is that trainees were more likely to state that they 'had to do' the training; indeed, among trainees who were existing employees, a majority suggested that this was their main motivation.

Whatever their motivation, four in five new apprentices said that their employment and training was in an industry or occupation that was of interest to them. Just 15% said that it was not and, unsurprisingly, this was more likely to be the case among people who stated that they had been obliged to commence an apprenticeship or traineeship (23%).

Table 2.2: Main reason for undertaking the new apprenticeship, by whether new or existing employee and whether apprentice or trainee (%)

	New employee		Existing employee	
	Apprentice	Trainee	Apprentice	Trainee
Wanted job	54	62	46	20
Wanted qualification	42	16	34	23
Obliged to do	2	18	17	54

Source: Data derived from the new apprenticeship non-completion survey of apprentices and trainees
Note: N=797. Results are weighted (see appendix for details)

Expectations of what would be involved

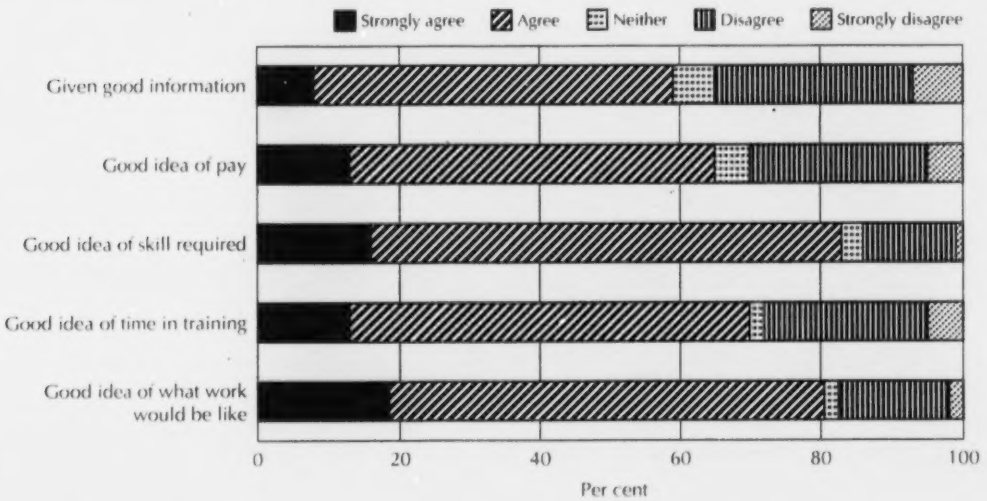
A series of five attitudinal questions were asked of new apprentices about their expectations at the time of commencement, and the amount of information they had about: what the work would be like; time to be spent on training; skill level required of them; pay levels; and general information provision.

In the aggregate, as shown in figure 2.1, responses were broadly consistent across each of these five areas. Somewhere between 60% and 85% were in agreement with each of the statements, and between 12% and 34% were in disagreement. There was most agreement (and least disagreement) with the statement that 'I had a good idea of the skill level required of me'. There was least agreement (and most disagreement) with the statements that 'I had a good idea about what my pay would be' and 'I was given good information about what to expect'.

These findings were borne out in the focus groups. Several young people said that they did not know what they were going to be paid. K.'s mother commented that her daughter 'didn't know until she got her first pay. And then she didn't know if that was the right pay for what she was supposed to get for what she was doing or not'.

Other participants noted that employers also were confused about what was the correct pay rate. A trainee in a retail pharmacy explained that there was some initial confusion over the wage to be paid: 'T. had originally been told she would be paid $350 per week but only received $290.' T. also said that she would also have liked clearer and more available information about basic issues such as wages and hours—'A single phone number you could ring'.

Figure 2.1: Expectations at the time of commencing the new apprenticeship (% of new apprentices)



Source: Data derived from the new apprenticeship non-completion survey of apprentices and trainees

Note: N=755. Results are weighted (see appendix for details)
'Don't know' responses have been excluded. These ranged between 0% and 2% of responses

A Group Training Company representative noted that young people 'didn't have enough information, they didn't know about pay rates ... I see that as the system failing in its complexity or its communication. I don't believe the creation of new apprenticeships will actually solve the problem in any way. In fact it added to the layers of complexity'.

How well informed were new apprentices?

Questions of the kind asked in the survey readily lend themselves to combination in the form of a scale measuring, in this case, the extent to which new apprentices were well informed about what their job and training would entail.[5]

We can report on this scale in two ways: first, by looking at variations in the mean scale score across different categories of new apprentices; and, second, as the absolute mean value has no intuitive interpretation, to categorise responses across the scale. The aggregate mean score was 14.6 between a lower bound of 4 (least informed) and an upper bound of 20 (best informed). Two in five respondents had a scale score below the mean, with a median score of 15 and a modal score of 16. By assigning the scale score into somewhat arbitrary categories, we can state that most new apprentices believed themselves to have a clear idea of what their apprenticeship or traineeship would entail—one in five (20%) having a very good idea, and about one in three (31%) having a good idea. At the bottom of the range, 26% had a relatively poor idea of what to expect.

Whether analysing the mean responses or the categorical responses, the findings are consistent across both. We report on the latter. The starkest finding, shown in table 2.3, is that those entering a traineeship had the least idea of what to expect. Less than half the trainees (46%) had either a very good or good idea of what to expect, while one in three had a relatively poor idea. By contrast, those entering an apprenticeship had a much clearer idea. It may be that the apprenticeship as a labour market institution is so solidly entrenched, relative to traineeships, that better information is available about the likely experience. The second finding, which clearly holds for apprentices though not apparently for trainees, is that greater workforce experience is associated with a greater knowledge about what an apprenticeship or traineeship is likely to entail. The fact that this finding is not evident for trainees further draws attention to the overall lack of institutional embededness of this form of in-work structured training—that is, the rapid rise in commencements has not yet generated the information linkages which would allow people to make a reasoned assessment in many cases as to what a traineeship might entail.

Table 2.3: Information about what new apprenticeship would entail, by whether apprentice or trainee and work experience (%)

	Very good	Good	Reasonable	Relatively poor
Apprentices	*22*	*39*	*25*	*14*
No previous jobs	18	54	16	12
No full-time jobs	20	27	35	18
Up to 3 full-time jobs	24	40	23	14
4 or more full-time jobs	34	30	25	12
Trainees	*20*	*26*	*22*	*32*
No previous jobs	26	25	16	33
No full-time jobs	16	23	28	33
Up to 3 full-time jobs	15	30	21	24
4 or more full-time jobs	26	24	23	28
Total	**21**	**30**	**23**	**26**

Source: Data derived from the new apprenticeship non-completion survey of apprentices and trainees

Note: N=797. Results are weighted (see appendix for details)

One other finding to draw attention to was the suggestion that those of an indigenous background were less clear about what to expect. A majority had a relatively poor (34%)

[5] The validity of a scale can be tested by using reliability analysis. A Cronbach alpha score of at least 0.7 is the general standard for an acceptable scale. Our scales were developed iteratively by dropping those items which served to lower the overall alpha score. In the information scale, the item on pay was not well correlated with the other items and served to lower the alpha score and, as a result, was dropped. The final scale, based on summing the remaining four items, had a Cronbach alpha of 0.71.

or reasonable (28%) idea, whereas more than half of those who were not from an indigenous background had either a good (31%) or very good (21%) idea. The low number of survey respondents from an indigenous background means we cannot be confident that this difference exists in the population at large.[a]

The low-pay/training trade-off

New apprenticeships are a particular form of institutionalised low-wage employment, where the apprentice or trainee contributes towards the cost of the training through a lower level of earnings than might otherwise be obtained (i.e. the minimum award wage or higher), with the promise of compensation to come later in potentially higher earnings accruing as a result of having a recognised qualification and skills.

While a number of focus group participants affirmed that they believed the pay during the new apprenticeship was too low—a matter we address in more detail in the next chapter—there was also an acceptance of the legitimacy of the trade-off being made. The following exchange illustrates the point:

J.'s mother *You still grizzle, J., that you don't get as much as you did when you did night-fill at Woolworths.*

J. *Yes, but that's over now isn't it. I get paid more than what I did then.*

J.'s mother *That's because he's just gone to his second-year wage a couple of weeks ago (to group).*

J. *[Well] when you first start you're pretty crap so you're not worth what you're actually getting paid yet, and when you get better then you should get paid more. That's how it works—first-, second-, third- and fourth-year pay you get a pay rise.*

A. *I think you start at the bottom of the ladder and work your way up.*

Another older trainee in aged care explicitly stated that she accepted the low pay for training trade-off:

> *I wanted to upgrade my knowledge skill and I took this traineeship. Before that I was getting double money and it was not for money. With agency I was getting something like $700 per week after tax ... so my interest was to upgrade my skill so I went for this traineeship. I knew about the money. I was aware that I wouldn't be getting a lot of money but I wanted te have a go.*

Employers also had a perspective on this. In relation to pay level and the training trade-off, one employer, a hairdresser, noted that 'the kids also want more money in the job, but I am training them. If you are going to school or to university you don't get paid anything.' He did appreciate that trainees did not get much pay, especially in the initial stages of their training. 'Are we better to pick up the Year 12 student when they come out, or get to kids much earlier, tell them about what it is all about?' He thought the 'rot had set in' with young people staying on at school longer:

> *They lied to the kids. Many of the kids didn't want to be there. They come out then are angry at adults. We get them at 18-and-a-half years, when they find out that an apprentice hairdresser earns $190 per week. It's cheap labour. Being on the dole gives them similar money, with a couple of nights working at a restaurant, they are better off. They don't see that they will earn much more later.*

A manager of a group training company argued that young people need to develop a longer-term perspective on the low-pay/training trade-off:

> *You see my brother is a landscape gardener, got his own business, and he did it through a group training company and I had to hammer him the first two years because he was seeing mates going into the IT industry or the newspaper ... and these young kids were getting like $24 000 in the first year ... And I said to him 'You've got to look at the future. You've got to look at in four years you'll be ... and you've got to keep focussed. Now if you want extra money on the weekend you ask your boss for some other contracts or other jobs that he can't do that you can do on your own and you'll do fine' and six years after he finished he's got his own business, his own truck, equipment, everything.*

[a] That is, the χ^2 test showed the difference not to be statistically significant. This is mostly due to the low (weighted) number of indigenous respondents (19) as opposed to the difference being negligible.

3 In-work experience of new apprentices

Having established the scene for why new apprentices chose to commence their training, and how well informed they were about what to expect, this chapter now shifts to examine the experience of the apprentices and trainees in work. The focus is on the general working environment as a potential explanatory device for non-completion. In doing so, we must caution once more about the proper interpretation of the survey evidence we have collected. As our samples are restricted to non-completers and their employers, we cannot quantify the importance of the working environment as a contributing factor to non-completion because we know nothing about the working environment of those who have completed their training; *but*, we can say whether the working environment was *relatively* more important than other potential factors, such as the provision of training, in explaining non-completion.

The working environment

A series of attitudinal questions were asked about the working environment of both new apprentices and their employers. The employers were almost uniformly positive in their evaluative assessments of the workplace, with no fewer than three-quarters giving a favourable response to each of the four areas they were questioned about. Among the apprentices and trainees, views were less sanguine and there was also a fair degree of variation across questions.

New apprentice assessment of the working environment

The responses to each of the items, as reported by apprentices and trainees, are shown in figure 3.1. There was most agreement over the statement that 'I liked the others I worked with' where three-quarters were in favour. In many respects this statement is the least informative about the nature of the working environment, as it is possible to enjoy the company of one's colleagues in a poor working environment, or vice versa. The remaining statements were more direct, with three of the five finding a slight majority in agreement and two of the five where the proportions in agreement and disagreement were equivalent.

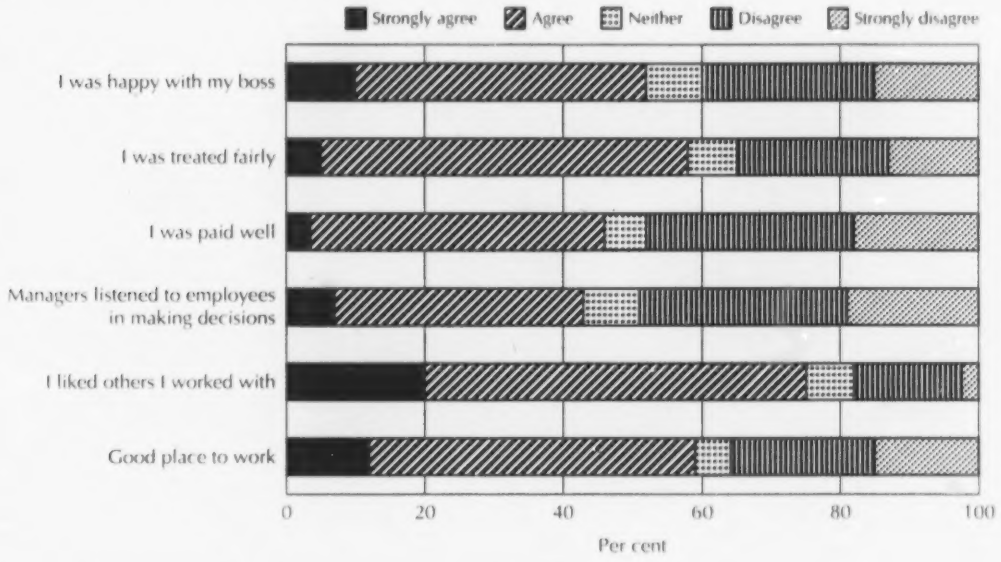
The two statements which elicited the most disagreement were 'I was paid well' and 'Managers listened to the views of employees in making decisions'. These were also the two statements with which employers were *least* inclined to agree—respectively 20% and 18%. While a substantial majority of employers did give a favourable response to both these statements, it does nonetheless validate the ranking of these two issues by apprentices and trainees.

As with our earlier scale on expectations, we conducted a reliability analysis on a working environment scale, where the two items which generated the most extreme responses at either end (i.e. 'I liked the others I worked with' and 'I was paid well') were found to correlate poorly with one another, and less well than the other items with the overall scale. The resultant working environment scale has very high reliability (α=0.85).

The average score on the working environment scale was 12.5, with a median score of 13 and a modal score of 16. As before, we have banded responses into four categories, and then examined differences in the distribution of responses across these categories for different groups of apprentices and trainees. On the whole, apprentices were slightly less favourable about their working environment than trainees, 25% reporting it as 'not good' compared with 22% of trainees, while at the other end of the scale, 12% of apprentices

rated the working environment as very good compared with 16% of trainees. Females were also less favourable than males. Given that males are more likely to be apprentices than females, we have tried to disentangle which of these two associations is the stronger. Table 3.1 compares the mean score on the scale. We can see from this that, among both apprentices and trainees, it is females who rate the working environment as less good than do males. It is also the case that for both males and females, apprentices rated the working environment as less good than trainees. In other words, the slight aggregate difference between apprentices and trainees masks a more substantial difference once we take account of the gender composition of the two groups.

Figure 3.1: Assessment of the working environment (% of new apprentices)



Source: Data derived from the new apprenticeship non-completion survey of apprentices and trainees
Note: N=797. Results are weighted (see appendix for details)

Table 3.1: Assessment of workplace environment, by gender and whether apprentice or trainee (mean score out of 20)

	Males	Females	Total
Apprentices	12.7	10.7	12.4
Trainees	13.2	11.9	12.6
Total	**13.0**	**11.7**	**12.5**

Source: Data derived from the new apprenticeship non-completion survey of apprentices and trainees
Note: N=775. Results are weighted (see appendix for details)

Associations with employer characteristics

It is possible to match the apprenticeship and traineeship assessment of their working environment with characteristics of their employer, as obtained in the employer survey. Some of these were discussed earlier in chapter 1 where we showed that most apprentices were to be found in small organisations—these are largely non-unionised and many provide no training to their general workforce. By contrast, many trainees worked in larger organisations where union membership was common and training was provided to the workforce at large. Our interest now is whether any of these characteristics might serve as potential explanatory factors for the working environment. The results are shown in table 3.2.

Both apprentices and trainees in small organisations rated the working environment less well than their counterparts in larger organisations.[7] The other consistent difference was that apprentices and trainees working in organisations where union members were employed also rated the working environment as better. One might speculate the source of this to be that unions provide some protection for apprentices and trainees.

For apprentices the sharpest difference is the association between labour turnover and the average assessment. Where the employer has high labour turnover, the working environment is rated significantly less well than where labour turnover is relatively low. The same association is not evident with trainees.

The one area where the differences are negligible is workplace training. This leads nicely into our next topic, which is the provision of training for apprentices and trainees.

Table 3.2: Assessment of workplace environment, by whether apprentice or trainee and employer characteristics (mean score out of 20)

	Apprentices	Trainees
Employment size		
Less than 100	12.4	11.7
100 to 999	*	13.0
1000 or more	*	12.3
Relative labour turnover		
Above industry average	(11.1)	12.7
Around industry average	12.4	12.0
Below industry average	13.8	12.6
Union membership		
Yes	13.1	12.7
No	12.4	12.3
Provision of formal training		
Yes	12.5	12.2
No	12.8	12.3
Total	**12.6**	**12.2**

Source: Data derived from the new apprenticeship non-completion survey of employers

Note: N=462. Results are weighted (see appendix for details)
Figures in parentheses should be used with caution as they have a high standard error
*=suppressed as number of observations too low to provide a reliable estimate

Participation in training

Our greatest interest in the training system is the type and quality of training received by apprentices and trainees, and whether the lack of training, or its quality or relevance played any role in eventual withdrawal or cancellation.

From the apprentice or trainee we have their individual accounts of training provision. From employers we have slightly more general indicators of the training provided to new apprentices still in training—that is, questions were asked only about apprentices and trainees *currently* employed in the workplace.[8] We also have the facility to match the two sets of accounts.

[7] This can be inferred for apprentices by comparing the result for small organisations with the total. For the total to rise up to 12.6, the average must have been higher in the medium to large organisations. However, results are not publishable at this level because of a low number of observations in the individual cells.

[8] This more general approach to questioning was thought preferable to asking about whether a specific apprentice or trainee had received training—as many of the respondents would not have known this level of detail.

Apprentice/trainee accounts

As discussed in chapter 1, a new apprenticeship is a structured training program designed to provide the apprentice or trainee with transferable skills that are nationally recognised. The structure to the program comes through a written training plan which describes the training regimen to be followed. This training, together with progress with work, should be systematically monitored and recorded by way of regular discussions between the new apprentice and their supervisor. The actual training component can consist of formal classroom training, for example at Technical and Further Education (TAFE), or a pre-specified program of on-the-job training developed as part of an industry-training package.

What is remarkable from the accounts provided by surveyed apprentices and trainees is how far off the mark this ideal was from the experience of a great proportion of them. A scant half (51%) of apprentices and trainees reported having a written training plan.* Irrespective of whether they had a plan or not, 35% reported holding regular discussions about their training with their supervisor, and 42% somewhat more general discussions about 'progress at work'.

We combine these data in table 3.3 to show the proportion of apprentices and trainees who had a training plan in place, and the extent to which—either in conjunction with the plan or in its absence—discussions were held between themselves and their supervisors. Overall, just one in five new apprentices had, according to their own accounts, a written training plan which was followed-up by regular discussions on training and progress at work. The next third had a plan, but in these cases it was not followed through with any discussions as to progress. The remainder of respondents claimed to have no written plan, and the majority of these also had no regular discussions as to their training or their progress at work.

Table 3.3: Training plan and follow-up, by whether apprentice or trainee (% of new apprentices)

	Apprentices	Trainees	All
Training plan, with follow-up	17	21	20
Training plan, no discussions	22	39	33
No training plan, but discussions held	25	17	19
No plan, no discussions	37	23	28
Total	**100**	**100**	**100**

Source: Data derived from the new apprenticeship non-completion survey of apprentices and trainees

Note: N=764. Results are weighted (see appendix for details)

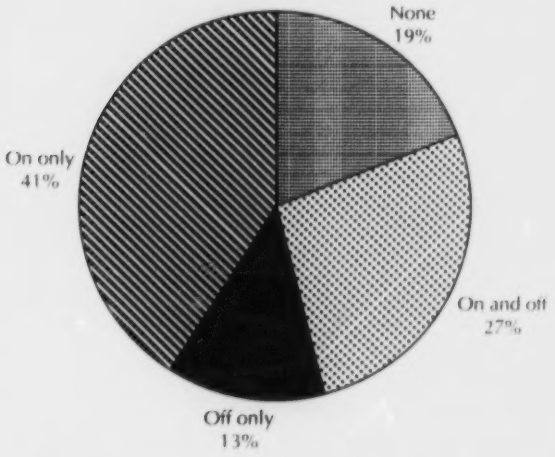
The table shows that it is trainees rather than apprentices who were more likely to have had a training plan, 60% compared with 39%. However, if it is the regular discussions to monitor progress which is more important in creating the right sort of learning environment, then there is little to choose between them, with 62% of trainees and 59% of apprentices reporting an absence of these sort of discussions.

Any training participation

When it comes to the actual provision of training the findings are also marked. Two in five apprentices and trainees said that they took part in off-the-job training—that is, training away from their job and conducted either away from the workplace or at a separate place within it. A considerably higher proportion of apprentices and trainees, two-thirds, said that they received some on-the-job training—this was defined as 'the training you received from your employer while you were working'. Combining responses to these two questions we find that one in five non-completers claimed they were not receiving training of any kind, while a further two in five stated they were getting on-the-job training only (see figure 3.2).

* The precise wording was: 'Trainees and apprentices usually have a training plan or training record book. This lists the skills that you need to learn and is usually signed off when you have gained those skills. Did you have a training plan?'

Figure 3.2: Type of training received (% of new apprentices)



Source: Data derived from the new apprenticeship non-completion survey of apprentices and trainees
Note: N=764. Results are weighted (see appendix for details)

In the focus groups a number of participants remarked on the lack of training. The following example of lack of training opportunities was reported by the focus group facilitator summarising his discussion with a former trainee in a wood-machining firm in Sydney's western suburbs.

> *Whatever training he received was through coaching by other employees. Interestingly, this was mostly done by other staff who were in fact apprentices on the site, who had studied at TAFE. He was unhappy with his boss, who clearly had no interest in training him—'he never said a thing'. Nor were his supervisors any better—'The supervisors don't know nothing about it'. The supervisor 'just stayed in his office'. M. did not know whether his boss had 'ticked any forms' assessing and recording his performance as a trainee. In summarising his traineeship experience, M.'s basic comment was that 'nothing happened'.*

A former trainee in pharmacy retail was disappointed in the lack of training opportunities she received:

> *They didn't really train me, I knew what had to be done in the store. I asked my boss about things in the training materials, but she wasn't really helpful. 'Too busy.' T. was not given time during work hours to study her training materials—'I had to do it all at home'.*

Participation in structured training

The actual incidence of training participation may not reveal a great deal. After all, the definition of on-the-job training is very open, and there is no guarantee that it is of a structured kind necessary to deliver the desired transfer of skills. Drawing on these two questions about the receipt of training, and its form, and the earlier question about the existence of a written training plan, we therefore define *structured training* as: taking part in off-the-job training, or a program of on-the-job training, the content and structure of which is described in a training plan.

Applying this definition, we find that 61% of surveyed apprentices and trainees took part in structured training, apprentices somewhat more likely than trainees to have done so—66% compared with 58%. As we go on to demonstrate below, any findings on structured training must be qualified by taking into account the duration of the training contract that had elapsed before withdrawal or cancellation.

In table 3.4 we start to pull some of our account together, by examining the relationship between how well informed the apprentice or trainee was at the time of commencement, and their assessment of the working environment with the provision of structured training. To illustrate, among apprentices who had a very good idea of what to expect when they commenced their training, 71% participated in structured training, compared with 55% of those apprentices who had a relatively poor idea about what to expect. There is a clear positive association between how well informed the apprentice or trainee was at

the time of commencement and participation in structured training. There is also a clear, positive association (though not consistently monotonic) between the working environment and participation in structured training. The better the assessment of the working environment, the more likely is the apprentice or trainee to have taken part in structured training. One further interesting observation is that the training participation difference between apprentices and trainees appears to widen the less good the assessment of the workplace.

Table 3.4: Participation in structured training, by whether apprentice or trainee (% of new apprentices)

	Apprentices	Trainees	All
How well informed at time of commencement			
Very good	71	69	70
Good	67	63	65
Reasonable	65	56	59
Relatively poor	55	48	49
Working environment			
Very good	68	65	66
Good	73	68	70
Reasonable	66	57	59
Relatively poor	59	47	51
Total	**66**	**58**	**61**

Source: Data derived from the new apprenticeship non-completion survey of apprentices and trainees
Note: N=749. Results are weighted (see appendix for details)

Relationship with duration of contract of training

An obvious explanation for non-participation in training is that the contract was withdrawn or cancelled very early on in the contract, perhaps prior to any training commencing. For example, one of the trainees in the focus groups suggested that her employer withheld training for the duration of the probation period, at the end of which she was dismissed, as a deliberate cost-saving exercise. We examine the importance of this explanation in figure 3.3, which shows the relationship between duration and the provision of training, separately for apprentices and for trainees. There is a clear positive association between the duration of an apprenticeship and participation in structured training, and an apparent though less strong association for trainees.[10] For example, among apprentices who became non-completers before they had completed less than a quarter of their apprenticeship, about half had participated in structured training. This proportion rose for each successive part of the training contract completed, such that among those who had completed 'almost all' of it, more than four in five had participated in structured training.

Employer accounts

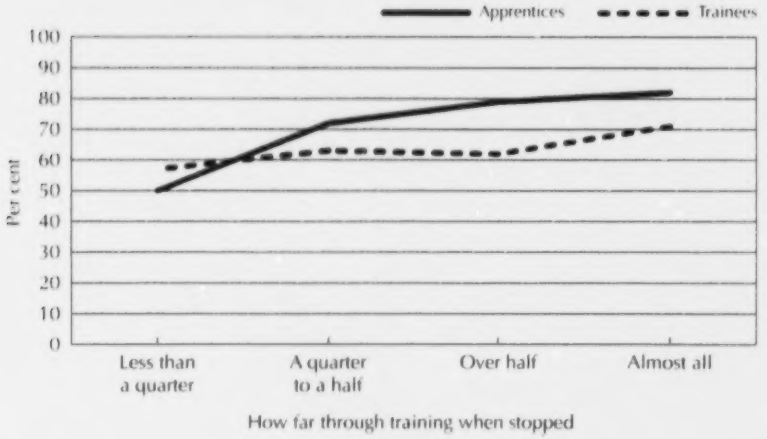
The account provided by employers is vastly different from that provided by apprentices and trainees. We will give a short description of how and where it differs, before moving to a direct comparison between the two sets of accounts.

As noted earlier, employers were asked about the provision of training in *general* for new apprentices *currently employed* at the workplace. They were only asked these questions if they were employing any new apprentices at the time of the survey, of which at least one in four were not.[11]

[10] The strength of association between an ordinal and nominal variable can be measured by gamma, which captures the linear association, and is interpreted in the same way as a correlation coefficient. For apprentices, gamma=0.43, while for trainees, gamma=0.16 (which is not statistically significant).

[11] We cannot estimate this more precisely, as in 81 cases the employer did not know the number of apprentices or trainees, if any, who were currently employed, and were subsequently 'routed out' of this part of the questionnaire. It is highly unlikely that the inclusion of these missing cases, where warranted (i.e. if any new apprentices were currently employed), would materially alter the substance of the findings in this section.

Figure 3.3: Participation in training, by duration and whether an apprentice or trainee (% of new apprentices)



Source: Data derived from the new apprenticeship non-completion survey of apprentices and trainees
Note: N=253 (apprentices) and 513 (trainees). Results are weighted (see appendix for details)

In four out of five cases (82%) employers reported that they used training plans at the workplace. They were more likely to do so if they were part of a large organisation—94% of those in organisations with 1000 or more employees used these plans compared with 73% in the smallest organisations (fewer than 100 employees). Similarly, where they had in place at least three of the four indicators of a more general training culture in place (see table 3.2), they were also more likely to have a training plan. Given that these two aspects are inter-related we explored whether there were independent effects, and our analysis shows that increasing organisation size is associated with a greater incidence of training plans, irrespective of the workplace training culture. On the other hand, an established workplace training culture is also associated with a higher incidence of training plans in small organisations (but not in medium-sized or large organisations).

Irrespective of whether training plans are used, almost all employers (94%) stated that they held regular discussions with apprentices or trainees about their training, and a similar proportion (96%) held regular discussions about work progress.

The findings for off-the-job training parallel those for training plans. Just over four in five employers (84%) stated that they provided it and they were more likely to do so the more employees working in the organisation, and the better the workplace training culture.

Bringing these data together and applying the same definition as discussed above, we find that 97% of employers claim to provide structured training for their apprentices and trainees. As so few do not, there is little point in attempting to locate the explanation for any differences. Instead, we turn now to look at the matched accounts.

Matched accounts of training participation

In table 3.5 we compare the two different sets of accounts. As will be clear from the preceding two sub-sections, there is substantial disagreement on the provision of training between apprentices and trainees on the one hand, and employers on the other. The widest differences were to do with whether regular discussions on training were held between the two parties, with an aggregate difference of 60 percentage points, and for the sub-sample of matched pairs 69% were in disagreement.

Almost all of the disagreement arises in cases where the employer states that they provided training and the apprentice or trainee denies that they experienced it. Of course, there need not be an inconsistency here, as the individual may correctly report that they took part in no training, while the employer may be correct that, in general, training is now provided—however, this could not plausibly account for the scale of the differences. Had the results been less polarised, it might have proved fruitful to identify the types of circumstances under which agreement or disagreement was more likely, and also to see

in the following chapter whether disagreement was associated at all with the reasons for non-completion. However, what we have are two largely irreconcilable accounts.

Table 3.5: Comparison of apprentice and trainee accounts of training with employers (%)

	Aggregate comparison			Matched pair comparison		
	App/T'ee (% yes)	Employer (% yes)	Both 'yes'	App/T'ee 'yes', Emp 'no'	App/T'ee 'no', Emp 'yes'	Both 'no'
Training plan	51	81	38	8	43	10
Regular discussions on training	35	95	26	2	67	4
Formal off-the-job training	40	84	35	3	50	12
On-the-job training	67	99	63	1	36	1
Structured training	61	97	55	1	42	1

Source: Data derived from the new apprenticeship non-completion surveys

Note: Aggregate comparison based on N=797 (apprentices and trainees) and N=277 (employers). Matched pair comparison based on N=277. Results are weighted (see appendix for details)

Conclusion

This chapter has reviewed the in-work experience of non-completing apprentices and trainees, focussing on both the employment and training components. For both components the messages are mixed.

On the employment side, a majority of new apprentices thought their workplace was a 'good place to work'. A majority also liked their work colleagues and believed that they had been treated fairly. Considerably fewer of them were happy with their boss or with their pay. These assessments of the working environment might be criticised as a retrospective pay-back by some jaundiced non-completers. However, the measure was shown to be associated with the general level of labour turnover experienced in the organisation as reported by employers—that is, the assessment of apprentices and trainees was less favourable where they had been employed in organisations with an above-average rate of labour turnover, often interpreted by industrial relations specialists as symptomatic of a poor working environment. This suggests that these assessments have some solid grounding. From this, we can then conclude that about five in ten apprentices and trainees were largely positive about their work, while about four in ten apprentices and trainees had a largely negative assessment of their time in work.

On the training side, we were interested to know about the type of training received. What we found was substantial levels of training participation, but relatively modest levels of training being closely integrated into either the workplace or forming a program of development. As a result, we found that only three in five apprentices and trainees had taken part in training of the kind that is supposed to be the bedrock of new apprenticeships.

The significant minorities who had an unsatisfactory experience at work, and who did not (on their accounts) take part in any structured training, point to a dissonance between expectations and actuality for many non-completers. In the next chapter, we see if this dissonance was the motive for withdrawing from or cancelling the contract of training.

4 Reasons for non-completion

In this chapter we move to the heart of the topic by looking at the severance of the training contract, and the differing perspectives of the two parties on what caused it. As already identified in chapter 1, a good deal is already known about the demographic characteristics of non-completers. We know that those with less schooling, older people, the previously unemployed and so on are more likely not to complete. What such studies do not tell us is *why* such people are more susceptible to non-completion, who initiates non-completion, and what fate befalls those who do not complete. This chapter addresses each of these issues.

Duration of training

From the studies reviewed in chapter 1 the pattern of non-completion over the course of the training contract has been identified. Most withdrawals and cancellations occur relatively early in the life of the contract and then the proportion withdrawing diminishes over time, as fewer and fewer remain.

Our survey obtains the same result. A bit over two in five trainees (42%) 'stopped' their training before they were a quarter of the way through it, and a further 25% had done so by the time of the halfway mark. Of the remaining 33%, 10% said they had completed 'almost all of it', 18% had not completed as much as this but had gone more than halfway, leaving 5% who did not know how much they had done.

Trainees were more likely to become non-completers a relatively short way into their contract than apprentices, with 48% stopping before they were a quarter way through—in most cases, it should be noted, this would correspond to a period of less than three months, compared to within a year for most apprentices. For apprentices the comparable figure was 38%.

Among trainees, there were also notable differences depending on the labour market structure in which they were located. In particular, those working in 'internal labour markets' were considerably more likely to have at least got half way through, 38%, compared with 24% of those in either qualifications-based labour markets or secondary labour markets. This includes 18% who said they had completed almost all of it, which raises the question that we address later in this chapter as to who initiated the withdrawal or cancellation.

We have already noted in the previous chapter the association between participation in structured training and duration completed. There, we argued that those leaving relatively early may have had less opportunity to experience training. The direction of causality could, of course, run the other way—that is, apprentices or trainees give up on their training contract and the employer because of the lack of training. Of those apprentices and trainees who said that they got no structured training, over half (54%) withdrew or cancelled their training contract before a quarter of it had elapsed, compared with 38% of those who had been getting some form of structured training.

There was no clear association between how well informed trainees and apprentices were about what to expect, nor with their assessments of the working environment.

Main reason for stopping

All apprentices and trainees were asked to indicate their main reason for stopping, and were then given the opportunity to nominate any other motivating factors. Our analysis will be confined to the main reason, as two in three people gave no further reasons, and the pattern of responses of the one in three who did, largely replicates that for the main reason.

A range of 12 pre-coded responses were developed by the research team and refined after piloting. Interviews retained the scope to record the reasons rather than assigning them, and these responses (which accounted for around one in three of the total) were either 'back-coded' to one of the original codes or assigned to one of the seven additional codes created.

In box 4.1 we list the top five reasons given by both apprentices and trainees for stopping. Three of the items are common on both lists—ranked first to third by apprentices, and second to fourth by trainees. The most common reason put forward by trainees was to get a better job (20%), which was ranked sixth by apprentices at 6%. Apprentices were twice as likely to say they were made redundant, and four times as likely to say they stopped to transfer to another apprenticeship or traineeship.

Box 4.1: Top five reasons for stopping, by whether apprentice or trainee

Apprentices	Trainees
No longer wanted to work in that job (14%)	Got a better job (20%)
Bad management/boss (13%)	No longer wanted to work in that job (11%)
Dismissed by the employer (10%)	Bad management/boss (10%)
Made redundant (10%)	Dismissed by the employer (9%)
To transfer to another apprenticeship (8%)	Other poor working conditions (6%)

Several of the issues covered in this brief snapshot were raised by focus group participants. One such reason is the offer of a better job. A group training company representative illustrated this by pointing to the common practice of employers in certain occupations of offering young people ongoing work only part way into their traineeship:

> *... we find that, especially in office situations ... they show a lot of potential because they're very good and that's why we take them on and within four or five months they've got a position with another company. That's ok because we can RPL them and give them their certificate and they've left us but that's only a one year trainee and you can do that.*

However, it is also possible that there are a mix of factors. One case was that of a former trainee in wood machining. T.'s principal reason for not completing the traineeship was that he left employment at the factory to take up 'a better job', but he had already deplored the lack of training opportunities in his traineeship. In fact, he left shortly before 12 months would have elapsed from the commencement of the traineeship.

A similar case was M. who left his traineeship for employment-related reasons, when questioned closely about other options, he was clear that he would have stayed with the factory if he had been receiving proper training. The new job lasted about seven months, before M. was laid off. He was unemployed at the time of the focus group discussion and commented that he would consider going back to his first employer if they gave him 'real training' along with the job.

We have condensed the 19 separate categories down to four, and in table 4.1 show how the distribution of responses varies across these four categories by age group and whether doing an apprenticeship or traineeship. Over half of all apprentices and trainees gave a reason that went to an aspect of the job—they were either induced to take up what appeared to be a better job, or they could no longer tolerate the one they were in. Trainees were more likely to give this as a reason than apprentices; however, younger apprentices were considerably more likely than older apprentices to have a reason in this category.

Table 4.1: Reasons for non-completion, by whether apprentice or trainee and age group (% of new apprentices)

	Employer-initiated	Job-related	Training-related	Personal or other reasons
Apprentices	25	48	19	8
Less than 18	25	57	11	7
18 to 20	21	46	25	8
21 to 24	34	29	21	16
25 or more	43	38	17	2
Trainees	18	58	13	12
Less than 18	15	59	8	18
18 to 20	19	58	12	12
21 to 24	14	76	7	4
25 or more	20	50	18	13
Total	**20**	**54**	**16**	**11**

Source: Data derived from the new apprenticeship non-completion survey of apprentices and trainees
Note: N=755. Results are weighted (see appendix for details)

The remaining half of reasons were divided between employer-initiated reasons, dissatisfaction with the training or other reasons, unrelated to either the job or the training. It is worth remarking how few apprentices and trainees said that they stopped because of some aspect of the training relationship (e.g. the lack of it). Indeed, those who did not participate in any structured training were slightly less likely, at 13%, to put this forward as the reason for stopping. There is no clear association with age and putting forward a training-related reason for stopping. For apprentices aged over 25, however, the chances of stopping because of an employer-initiated reason are alarmingly high (43%).

The quotes from focus group participants above show that it is difficult to be absolutely categorical about placement into one group or another. Dissatisfaction with training may have been evident, but it was some aspect of the job, or a better job with training, that prompted the move. Nonetheless, the proportion of responses nominating a reason to do with the job *per se* rather than the training suggests that it is the employment relationship which is the primary driving factor behind non-completion.

Another way we can approach this is to ask respondents to say whether a particular feature of the employment or training relationship was a motivating factor in them stopping—this, of course, lends itself to the criticism that we are putting words in the respondents' mouths. Figure 4.1 presents the results.

The issue which elicited the greatest level of agreement was the view that the respondent was being treated as cheap labour. We have established in earlier chapters that this was a concern throughout for many apprentices and trainees, and we go on to examine later in this chapter if their situation has improved. For apprentices, two other aspects of the work appeared to cause disquiet among a significant proportion of them—the level of pressure, and the prevalence of bullying. Even allowing for some tendency to overstate matters, the number of apprentices and trainees identifying bullying as an issue raises major policy issues about the function of the training authorities in monitoring and oversight of work-based training relationships. Many of the focus group participants brought up the topic of bullying, which covered the gamut from the potential threat of physical harm to, more commonly, harassment. Bullying was not defined in the questionnaire, but a couple of quotes from focus group participants give a flavour of their experiences. In one instance, a former apprentice hairdresser noted:

> *I saw lots of bullying in my job too. She was just awful to everyone. Like any time anyone felt strong in their career she'd break them down because she wanted to be the best.*

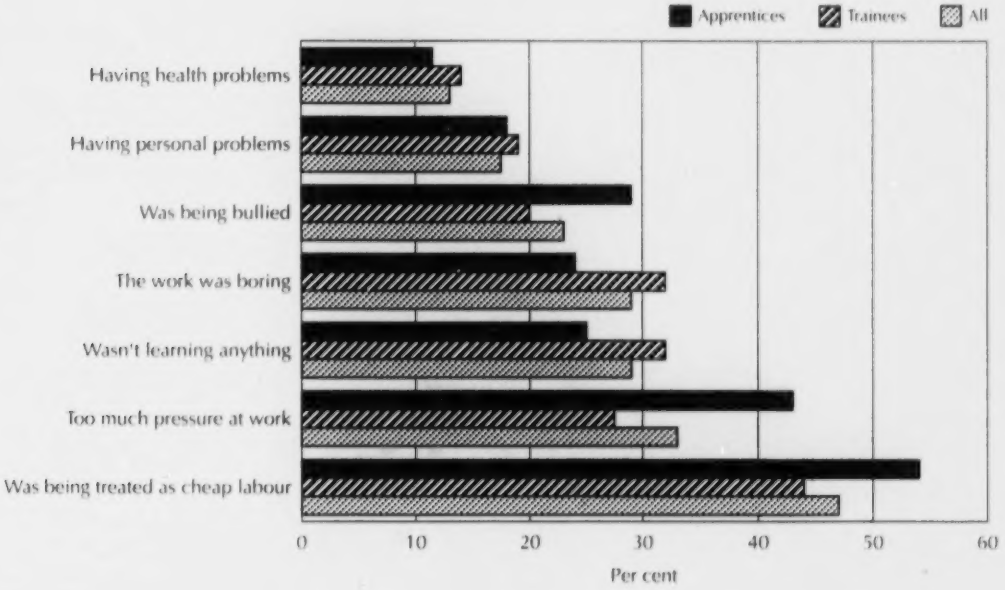
In another case, an older former trainee in office administration defined the following behaviour as bullying:

> *I can only speak from my point of view but as an older person I've found going onto a traineeship to be demeaning in a way. Partly because of the way that I was treated by my*

boss. And there was a bit of bullying in that I was required to put out the garbage and do this stuff and treated like I knew nothing ... I think that is a form of bullying.

Ranked fourth on the list of potential explanatory factors for apprentices and second for trainees was 'I wasn't learning anything'.

Figure 4.1: Proportion agreeing that issue was a factor in them stopping training, by whether apprentice or trainee (% of new apprentices)



Source: Data derived from the new apprenticeship non-completion survey of apprentices and trainees
Note: N=755. Results are weighted (see appendix for details)

Employer accounts

In the interview with employers, they were asked whether they were familiar with the reasons why the named apprentice or trainee had stopped their training, of which 84% said they did. They were then asked what they thought the main reason was for them stopping. What is remarkable about the employer account is how closely it matches that provided by the apprentices and trainees, at least at the aggregated level—figure 4.2 presents a pie chart summarising the results. Far and away the most common reason was job-related, put forward by 51% of employers, near identical to the 54% of apprentices and trainees giving the same reason. Within that sub-group employers were relatively more likely to suggest more benign or neutral reasons than did apprentices or trainees—in 20% of cases the apprentice or trainee was thought to no longer want the job, and in 17% of cases to have got a better job, while just 1% thought it was due to bad management.

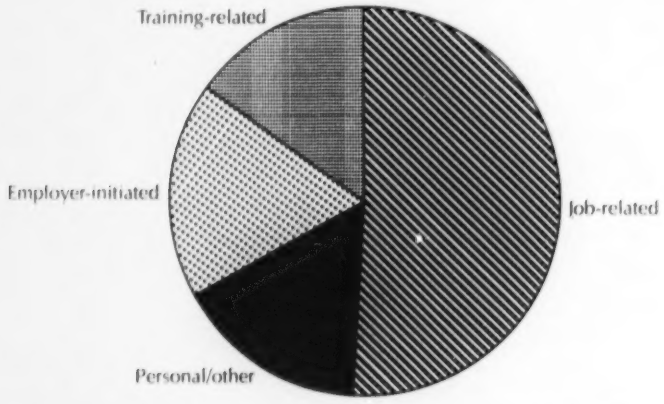
The proportions falling into the other three broad groups are also highly similar to that put forward by apprentices and trainees themselves, with personal and other reasons ranking more highly. A training-related reason was the least common response at 15% but almost identical to the proportion of apprentices and trainees offering the same response (16%).

Whose choice was it to stop?

From both apprentice/trainee accounts and employer accounts, somewhere between 16% and 20% of non-completions arose out of some action taken by the employer—an individual was dismissed, or was made redundant or the workplace was closed down. These are all direct means by which an apprentice or trainee loses their job and, by default, the training contract is also terminated. More generally, however, the question arises as to whether the apprentice or trainee had some alternatives in place, inducing him

or her to leave, or the situation at the workplace had become so intolerable they felt obliged to leave whatever the alternatives, or something in between.

Figure 4.2: Main reason for stopping training, employer accounts (% of employers)



Source: Data derived from the new apprenticeship non-completion survey of employers
Note: N=462. Results are weighted (see appendix for details)

Asked directly whether the decision to stop training was their own choice, forced on them, or a bit of both, apprentices and trainees and their employers responded as shown in table 4.2. Over half of both parties agreed with one another (56%) that it had been the apprentice's or trainee's own choice to stop training. In the aggregate, however, employers were considerably more likely to say that it had been initiated by the apprentice or trainee, 75% compared with 63%. Nearly all of this 12 percentage point difference is attributable to the 13% of cases where the employer said the apprentice or trainee stopped of their own volition, while the apprentice or trainee said the choice was forced on them. Trainees were twice as likely to fall into this category than apprentices—16% compared with 7%.

Table 4.2 Who initiated decision to stop, matched pairs comparison (% of cases)

		Apprentices and trainees			
		Own choice	Forced on me	Bit of both	**Total**
Employers	Their own choice	56	13	7	**75**
	Forced on them	2	6	2	**10**
	Bit of both	6	6	4	**15**
	Total	**63**	**25**	**12**	**100**

Source: Data derived from the new apprenticeship non-completion surveys
Note: Matched pair comparison based on N=376. Results are weighted (see appendix for details)

Other than this comparatively small group where there appears to be genuine disagreement over who initiated the withdrawal or cancellation of the training contract, the general picture is that it was largely self-initiated by the apprentice or trainee, or that both parties contributed to it.

Where are they now?

Any assessment of the reasons for non-completion would itself be incomplete if it did not examine what subsequently happened to the apprentice and trainee. This will help to check the validity of their assessment about whose choice it was to stop the training. It will also illustrate how non-completion, when initiated by the apprentice or trainee, is often made in response to the existence of a superior alternative.

The most important point to note is that in seven out of eight cases (86%) non-completion of the training contract occurs either simultaneously with, or is a default of, severance of the employment relationship. Indeed, by the time of the survey—which could have been from nine to 21 months after the training had stopped—just 9% of apprentices and trainees were still working with the same employer. We now go on to look separately at their employment and training outcomes, and then combine the two strands together.

Employment outcomes

Over four in five of the non-completers were working at the time they were surveyed. As previously noted, 9% remained with their new apprenticeship employer, while 73% had changed employers. There were 14% who were unemployed, and 5% who were no longer in the workforce.

By far the most common outcome was for people to have changed jobs. In most cases, the new job was full time (77%) and permanent (69%). We were able to ascertain whether job movers regarded their new job as superior or inferior to the one they had been in when they were on their training contract. Three in four (77%) stated that their new job had better pay than their previous job, and an almost identical proportion (76%) said that their working conditions were better. Relatively few people thought they had become worse off—just 8% said their pay was worse, and 7% said their working conditions were worse. In total, 62% of job movers had, in their eyes, unambiguously experienced an improvement (i.e. both pay and working conditions were better). The remaining 38% of job movers were in a job in which their pay and working conditions were similar or worse to that of their new apprenticeship.

In table 4.3 we examine the employment outcomes for a range of different categories of apprentices and trainees. This table contains many highly relevant findings. Dealing first with differences between apprentices and trainees, we find very little variation in the employment outcomes with the one exception that trainees are more likely to have remained with their new apprenticeship employer—12% compared with 2%. This difference is entirely offset by a correspondingly lower proportion who have changed jobs to one they regard as similar or worse than their previous job.

More evident differences are apparent across other dimensions, of which age is the most remarkable. Almost a quarter of non-completers aged 25 years or more (23%) remained with the same employer, compared with no more than 6% in all other age groups. The youngest non-completers who had become job movers were far more likely to say they had done better out of the move, though this may partly be a function of age-related wage scales (i.e. wages increase as they reach 'adulthood').

There are also clear differences according to the size of the employer. Those undertaking their new apprenticeship with a small employer of fewer than 100 employees were more likely not to be working with them, to have obtained a 'better' job if they had moved, and to be unemployed. This is consistent with what we know is the relatively higher degree of churning among small employers, and the relatively inferior employment conditions. Among the larger employers, the proportion remaining with their new apprenticeship employer was twice the average at 18%.

The final three areas investigated in table 4.3 relate to non-completers' assessments of their reasons for starting a new apprenticeship, the workplace, and the reasons for stopping. Each of them show a clear association, though we cannot assume causality or direction.

The main difference in employment outcomes according to the reason for undertaking training was those who 'had to do' a new apprenticeship were more likely to have remained with the same employer, with a correspondingly lower percentage who moved to a similar or worse job.

More stark is the difference in the balance of job movers who said they now had a better job relative to a similar or worse job according to their assessment of the working environment while undertaking their new apprenticeship. Among those who rated the workplace poorly, 62% felt they had done better out of moving compared with 28% who rated the working environment as very good.

Table 4.3: Employment outcomes, by various characteristics (% of new apprentices)

	With same employer	In better job	In similar or worse job	Unemployed	Not in labour force
Gender					
Male	7	43	31	16	4
Female	12	49	22	11	7
Age group					
Less than 18 years	3	60	19	14	3
18 to 20 years	2	41	36	15	7
21 to 24 years	6	48	25	19	2
25 years or more	23	36	26	10	6
Apprentice/trainee					
Apprentice	2	45	33	16	5
Trainee	12	46	24	13	5
Employer size					
Less than 100	6	44	24	19	7
100 to 999	10	38	32	18	2
1000 or more	18	35	28	12	6
Why doing training					
Wanted job	6	48	29	16	2
Wanted qualification	3	46	31	13	7
Had to do	16	44	21	12	7
Assessment of workplace					
Very good	13	28	39	13	7
Good	13	31	39	14	3
Neither good nor bad	8	49	24	15	5
Poor	2	62	19	14	3
Why stopped					
Employer-initiated	10	44	27	17	2
Job-related	5	52	26	13	5
Training-related	14	39	33	12	2
Personal/other	19	26	28	14	13
Total	**9**	**45**	**27**	**14**	**5**

Source: Data derived from the new apprenticeship non-completion survey of apprentices and trainees

Note: N=755 (except for employer size where N=421). Results are weighted (see appendix for details)

Finally, there were also considerable differences as to the reasons for stopping. Unemployment was highest where the reason for stopping was employer-initiated. Obtaining a more favourable job was most likely where the reason for stopping was job-related, and the gap between a better job and a similar or worse job was narrowest where the reason for stopping was training-related. Those who stopped for personal or other reasons were the most likely to have remained with their new apprenticeship employer or to have left the labour force altogether.

Training outcomes

We are also able to identify the 'training' outcomes of non-completers. In the first instance, for the sake of clarity, we treat them as conceptually distinct from employment outcomes before then combining the two sets of outcomes.

One in five of all non-completers (22%) had, since stopping, either recommenced their former apprenticeship or traineeship or newly commenced another one. This is a highly

significant group. On the one hand, their persistence with the formal, in-work training system is indicative of a commitment to the value to them of acquiring a qualification; on the other hand, there were evidently some problems in their original relationships which it may have been possible to remedy without having to change employers. Two in three of those recommencing (64%) did so in the 'same area' as their apprenticeship or traineeship, with the balance starting a new apprenticeship or traineeship in a different area.

In addition to engaging in formal, in-work training, people can acquire skills and qualifications through formal study. Overall, 6% of all non-completers were studying full time, and a further 6% were studying part time. The balance, representing 66% of all non-completers, were no longer engaged in any formal training or studying.

In table 4.4 we show how the distribution of these groups falls across the same categories we considered for employment outcomes. Several important findings are apparent.

Table 4.4: Training outcomes, by various characteristics (% of new apprentices)

	Recommenced	Full-time study	Part-time study	Not training or studying
Gender				
Male	25	5	6	64
Female	18	7	5	71
Age group				
Less than 18 years	36	9	3	52
18 to 20 years	27	9	4	60
21 to 24 years	17	4	9	70
25 years or more	7	1	7	85
Apprentice/trainee				
Apprentice	44	5	3	49
Trainee	11	6	7	76
Employer size				
Less than 100	27	4	4	65
100 to 999	14	1	0	84
1000 or more	13	8	6	72
Why doing training				
Wanted job	27	6	6	61
Wanted qualification	29	5	3	63
Had to do	6	7	7	80
Assessment of workplace				
Very good	18	5	4	74
Good	20	4	5	70
Neither good nor bad	20	6	7	66
Poor	32	6	2	60
Why stopped				
Employer-initiated	23	7	7	63
Job-related	21	6	6	67
Training-related	34	1	6	60
Personal/other	13	9	1	77
Total	**22**	**6**	**6**	**66**

Source: Data derived from the new apprenticeship non-completion survey of apprentices and trainees
Note: N=755 (except for employer size where N=421). Results are weighted (see appendix for details)

First, as has been apparent throughout this analysis, despite changes to re-badge all forms of in-work structured training programs as new apprentices, there are major differences

between 'apprentices' and 'trainees' (as we have defined them). This is dramatically illustrated in the proportion that had gone on to recommence training—44% of apprentices compared with just 11% of trainees. This strongly suggests that non-completing apprentices are more likely to be attuned to the value of structured training and a recognised skill as an entry point to secure employment. For many non-completing trainees, access to training does not appear to offer the same benefits—three in four were not involved in any form of training or studying. It is consistent with the argument that to work in a given job, apprentices require the 'ticket' which obliges them to do the training, whereas for trainees in many cases demonstrated skills and experience, rather than an accredited qualification, may be enough.

A second important difference was age, where there was a strong negative association between age and continued participation in formal skills development. Among those who were less than 18 years old, 36% had recommenced training and 9% had taken up full-time study. The respective figures for those aged 25 years or more were 7% and 7%. Over four in five (85%) of those aged 25 years or more were not training or studying. These findings are significant in the context of the very substantial growth in adult entry apprenticeships and traineeships in recent years.

Employment size differences are largely explained by the greater concentration of apprenticeships among smaller employers. Much more significant are the more subjective assessments provided by non-completers as to their motivations, the working environment and the reasons for stopping.

As with employment outcomes, there was little difference between those who stated they were doing a new apprenticeship because they wanted a job or wanted a qualification. These two groups differed considerably from those who said they 'had to do' the training—among this group, just 6% were recommencements and four in five were neither training nor studying.

Finally, it is worth noting that recommencements were highest among those who stopped their apprenticeship or traineeship for training-related reasons (34%), indicating a real desire to pursue training opportunities even if it involved changing employers. They were lowest among those who stopped for personal or other reasons who, as we recall, were the most likely to have left the labour force altogether.

Combinations of employment and training—who is doing what?

We now bring the two separate sets of outcomes together, to look at the joint employment and training activities of non-completers. The results are shown in table 4.5. It shows there to be five substantial clusters of non-completers, each accounting for at least 10% of the total, and who cumulatively account for four in every five of those surveyed.

The most common outcome of all (29%) was for former new apprentices to have changed jobs, to unambiguously regard that job as superior to the one they had, and not to be doing any form of studying or training. For this group, the skills and experience they obtained during their apprenticeship and traineeship may have proved a sufficient stepping stone to better things. They may well have taken all that they were seeking out of the formal in-work training system without the need to obtain a formal qualification. The people in this group had predominantly been doing a traineeship (78%).

The second most common group (15%) were those who had also changed jobs, and who were also no longer in training (or any form of studying), but found themselves in jobs which were either similar or worse than their previous job in terms of pay and working conditions. Trainees were again disproportionately found in this group (73%), and they were also more likely to be older, with 43% aged 25 years or more and just 5% aged under 18 years. Relatedly, existing employees were over-represented among this group (60%).

Twelve per cent of non-completers were unemployed and not doing any studying or training. They are predominantly distinguished by virtue of the fact that it was the employer who chose to end the employment and training relationship—this was the case for half of them. Other than that, there are no personal or job characteristics which distinguish this group.

The final two clusters of non-completers are those who have recommenced formal in-work training with another employer. They are roughly equally split between those who regard themselves as now having a better job (12%) and those who think the job is similar or worse (10%). Those in a better job were predominantly apprentices (65%) and were young, 76% were under 21 years. Those who thought themselves to now be in a similar or worse job had very similar characteristics, 69% were apprentices and 87% were under 21 years. What does distinguish the one group from the other is whether they had been an existing employee or not—this was the case for 22% of those who regarded themselves to now be in a better job, compared with 42% who thought their job no better or worse.

Table 4.5: Employment and training outcomes combined (% of new apprentices)

	Recommenced	Full-time study	Part-time study	Not training or studying	Total
With same employer	0	0	1	7	**9**
In better job	12	2	2	29	**45**
In similar or worse job	10	1	1	15	**27**
Unemployed	0	1	1	12	**14**
Not in labour force	0	1	0	4	**5**
Total	**22**	**6**	**6**	**66**	**100**

Source: Data derived from the new apprenticeship non-completion survey of apprentices and trainees
Note: N=769. Results are weighted (see appendix for details)

Overall, what might we conclude about the outcomes experienced by non-completers? Sample surveys, such as the two which form the basis for this study, are imperfect instruments for making an assessment as to whether a new state is preferable to the one people had been in—that is, whether the act of non-completion resolved some personal, job or training difficulty that people had been experiencing. We also do not have the benefit of a 'control group' (i.e. of successful completers) with whom we might make comparisons. Nonetheless, some tentative conclusions might usefully be drawn from this overview of employment and training outcomes and how such outcomes differed among different groups.

First, the only group who can be said to now be clearly faring worse were those who were unemployed and not studying at the time of the survey. This is a relatively small group, many of whom became unemployed because their new apprenticeship employer terminated the employment relationship, and upon whom the axe fell in a non-discriminate way.

Second, the 15% who ended up in a different, but no better, job and who are not involved in formal training or studying might also be regarded as an undesirable outcome, though this is less clear-cut than it is for the unemployed.

Third, the attrition rate from the training 'system' as a whole is very high, with two in three of the non-completers having given up, for the time being, any training or studying.

Fourth, and related to both of the last two points, many non-completers, especially older trainees, appeared to have seen relatively little value in undertaking formal, in-work training. They were much more likely to simply stop training while remaining with their new apprenticeship employer and/or to have gone on to another job which did not involve training. It is worth noting that four in five of those who said they 'had to do' a new apprenticeship were no longer in any form of studying or training. It is predominantly young apprentices who choose to remain in the training system through recommencements.

The next, and final, chapter will deal with possible policy responses to generally reduce the incidence of non-completion and to target assistance to those groups who might require it.

Conclusion

We have spent some time probing the nature of the responses to these questions, and bringing in the focus group findings, to highlight the complexity of the matter, and also to test the robustness of the main finding—namely, that a majority of apprentices and trainees who become non-completers do so because of some aspect of the employment relationship rather than the training relationship. It is important to qualify this by noting that it is a bare majority. Significant minorities of apprentices and trainees stopped their training for other reasons. These were because they had no choice (i.e. the employer initiated it), or because of some aspect of their training, or for a range of reasons that fall outside the twin domains of the job and the training.

The one explanatory factor that elicited the most agreement among apprentices and trainees was being used as 'cheap labour'. It is clear that for many non-completers, especially for trainees, the low pay for training trade-off that underpins the relationship is not yielding its promise—either the training is not being provided (in which case why put up with low pay?) or the gain from the training can be realised by changing jobs before the training contract is complete (in which case why put up with low pay?).

5 Strategies to reduce non-completion

Our prime research focus has been to identify the expectations of the new apprentice and his or her employer as a means of understanding better the decision to quit or halt a new apprenticeship. The surveys noted the differing expectations on the part of both participants and employers for entering into a new apprenticeship contract.

In terms of initial expectations, chapter 2 reported that the most common motivation of the non-completers for undertaking a new apprenticeship (43%) was employment-related (wanted a job, wanted work experience, a requirement of the job). Another 28% gave an indirect employment-related reason (a condition of the job or requested by the employer). Just over a quarter (27%) gave a training-related reason—to obtain a qualification—for undertaking a new apprenticeship.

The previous chapter also highlighted the importance of new apprentice and employer expectations about the employment rather than the training relationship. However, it was also noted that nominating reasons related to the former as the prime cause for non-completion did not necessarily exclude concerns about the latter. Nevertheless, the survey results strongly suggest that ways to improve the employment relationship or to better align the expectations that both parties have of each other are an important starting point for the development of appropriate strategies to reduce non-completion.

The importance of misaligned expectations are manifest in several ways. Nearly half of the non-completing apprentices (48%) and nearly three out of five trainees (58%) gave job-related reasons for leaving. These reasons were typified by the high proportions of non-completers stating that they felt they were being treated as cheap labour, were under too much pressure at work, were not learning anything, were undertaking boring work or were being bullied.

Employers also highlighted the importance of dissatisfaction with the job as the primary reason for non-completion. Employer-initiated reasons for non-completion were important for another fifth of all those surveyed, although these included factors beyond the control of both parties. Chapter 4 also noted that nearly half of the non-completing trainees (48%) had left before they were a quarter way through—in many cases less than three months in the job.

The information about employment outcomes after leaving a new apprenticeship also pointed to the importance of job-related factors. Some 44% of non-completers had changed jobs but did not continue with their training. Overall, two in three non-completers had not continued with any further training or study.

The following recommended strategies have been developed in response to the main findings of this study in relation to the centrality of the employment relationship in explaining the causes of non-completion. However, due regard in terms of other recommended strategies is also paid to the importance of the training relationship to a smaller but significant group of the non-completers surveyed. They have drawn on overseas research and policy analysis.[12]

The strategies along with the survey findings were presented in broad outline to seven focus groups of employers, group training companies and non-completing apprentices

[12] IFF Research Ltd 2000, *Modern apprenticeships: Exploring the reasons for non-completion in five sectors*, August for the UK Department for Education and Employment, London; New Deal Task Force 1999, *Lasting value: Recommendations for increasing retention within the new deal*, UK Department for Education and Employment, London; New Deal Task Force 1999, *Bridges to work—New directions for intermediaries*, UK Department for Education and Employment, London; Cappelli, P 2000, 'A market-driven approach to retaining talent', *Harvard Business Review*, January–February; 'Employee retention: What managers can do, *Harvard Management Update*, 4/1/2000.

and trainees in Adelaide, Melbourne and Sydney. They have been refined in the light of the feedback received from the extensive discussions with the focus group participants. The recommended strategies have also benefited from modifications following comments received from members of the project reference group.

The recommended strategies start from a recognition that the decision by an apprentice or trainee or an employer to end the employment-cum-training relationship is the end point in a three-phase process. The process consists of the pre-engagement phase, job matching and the employment phase.

The strategies are also based on an acknowledgment that often more than two key stakeholders are involved. The two key stakeholders obviously are the new apprentice and the employer. However, the employment and training relationships, in whole or at different stages, may also involve third parties. These include but are not limited to off-the-job trainers such as TAFE, group training companies (20% of the non-completing apprentices and trainees had been employed by a group training company), new apprenticeship centres, employer associations, unions, industry training advisory boards and employment services 'brokers' such as the Jobs Pathway Program.

Improving the fit between new apprentices and employers

New apprenticeships vary widely in terms of the age groups covered. The situation facing school leavers under the age of 18 years entering their first full-time job are likely to be very different from older job seekers. The initial set of recommended strategies are aimed primarily at young school leavers who may be seeking to enter a combined employment and training relationship or simply seeking an entry-level job. Then follows a focus on recommended strategies to improve the completion rates among older persons who have considerable work experience beyond them.

The survey results showed that the young non-completers are likely to face particular problems in finding an employment relationship that meets their expectations. They were more likely to have been employed by a small employer (less than 100 employees), which suggests fewer resources to help induct or mentor a new employee. Young non-completers also came from workplaces where the level of resignations was 'a lot above average'.

Employer concern about a lack of job readiness was clearly evident in a number of survey and focus group responses. One employer surveyed noted that 'Apprentices need some experience, most apprentices come in with [only] Year 10 schooling ... [they] need more education'. Another employer commented that 'Apprentices expect too much without too much work (some of them)'. Another employer was more direct. When asked why they no longer employ new apprentices, the answer given was:

> *Because they have a poor attitude. School is not teaching them to go up the ladder. They don't want to get their hands dirty. They go after three years. Sick of training them up.*

To improve the chances of a better fit between young people and a potential employer, it is proposed that more attention be paid by the (potential) apprentice or trainee, the employer and, where applicable, a third party to the three stages to entering into and staying in an employment relationship: pre-engagement assessment, the actual job matching process and through follow-up support.

Pre-engagement assessment: role for potential new apprentice

Employer concern expressed in the focus group discussion about a lack of job readiness among non-completing apprentices and trainees was noted above. One way to address this is for school leavers or those still in senior secondary school expressing an interest in new apprenticeship to be offered the opportunity to undertake a 'Personal Capabilities Assessment'. It is proposed that the assessment cover basic literacy and numeracy skills, relevant technical skills and the 'soft' skills related to interpersonal communication and problem solving.

The purpose of this assessment is to give the young person seeking to undertake a new apprenticeship a realistic understanding of his or her own abilities. It can also be used to provide evidence of a young person's potential to acquire skills above and beyond a reliance on their formal educational achievements.

If skill deficiencies are identified, the potential new apprentice could then be offered assistance to address these deficiencies. It may help to promote the need for this assessment if all young people are given an entitlement to this service that is widely publicised. The entitlement could take the form of a 'smart card' which includes both the credit for the service and the means to have the information encoded for use by employment services brokers.

Pre-engagement: role for potential employer

Potential employers could be encouraged by third parties including employer associations to specify clearly their requirements for a new apprenticeship position. Potential employers could be encouraged to distinguish between position requirements that are threshold or minimal (such as levels of literacy and numeracy, requisite school subjects) and attributes that are desirable for the specific position (e.g. specific aptitudes in relation to the skills required).

They should be asked to provide evidence of procedures in place to ensure that a number of desirable features exist: their workplaces are safe and free from verbal, physical, racial and sexual abuse, the provision of an appropriate induction program, that supervision is adequate and there is a commitment to provide on-the-job as well as formal training according to a specified training plan.

The need for a fair employment standard received support from a number of focus group participants from both sides of the employment relationship. One former new apprentice noted: 'I think the piece of paper would really make them change their mind about the way they act and the way they feel about you or whatever, or about your work'.

Pre-engagement: role for intermediaries

Several intermediaries working with young people are well placed to promote, deliver the 'Personal Capabilities Assessment' and follow up the results. The Jobs Pathway Program which aims to assist 70 000 young people over the next four years with a budget of $97 million is one such program which could promote this assessment as one of the services it can offer young people while they are still at school.[13] Job Placement, Employment and Training (JPET) program ($74 million over four years) is also another vehicle to promote the value of and offer the 'Personal Capabilities Assessment' to students at post-compulsory school age and unemployed young people aged 15 to 19 who are homeless or at risk of becoming homeless.

Employment brokers, with their performance payments based on not only job placement but also job retention, have an incentive to improve new apprentice completion rates. The assistance could also be made more explicit by advertising its availability to young people who are eligible for Intensive Assistance (i.e. young people who are deemed to be 'at risk' of being long-term unemployed). This assistance could include pre-entry testing for particular occupations and 'work taster' exercises to ensure that young people are better aware of the challenges of the work and training options available to them.

New apprenticeship centres, which have been funded to the level of $318 million for four years from 2001 'to provide information and service to employers when they take on new apprentices', could also play a key role here.[14] One suggested strategy is for new apprenticeship centres to promote to employers the new National Code of Good Practice for New Apprenticeships. This could involve endorsing employers as 'Good Practice Employers' if they show evidence of having in place the internal processes recommended by the code. One option is for the Commonwealth Government to make employer access to incentive payments conditional on an employer's agreement to demonstrate compliance with the National Code of Good Practice for New Apprenticeships.

[13] Hon David Kemp 2001, '$12.44 Billion for Australia's Future Education and Training', Media Release, Department of Education, Training and Youth Affairs, 22 May 2001.
[14] Ibid.

Employment brokers, where involved in placing job seekers in new apprenticeship positions, could also work with employers to identify clearly their requirements for the positions. This may require distinguishing between those requiring little or no work experience and those positions that may require preparatory training or work experience. Employment brokers may also need to assist employers to put in place appropriate systems to support the National Code of Good Practice for New Apprenticeships.

Matching expectations to available positions: roles for employers and intermediaries

The survey and the employer focus group results in particular strongly suggest that a significant way to improve new apprentice retention is by focussing on the inputs immediately before the employment and training relationship starts. This involves achieving a good match on the part of both parties in relation to both the employment and the training expectations about the relationship. In some instances, potential new apprentices are merely seeking an entry-level employment position with only peripheral interest in the training aspect. In other instances, access to good quality on-the-job training together with access to formal off-the-job training may be a major focus of the potential new apprentice. If a new apprentice is not matched to a position that reflects their expected balance between employment and training, he or she is unlikely to stay. The same scenario of differing expectations may also apply to employers.

Effective matching of job and training expectations requires that employers provide to job seekers and their intermediaries adequate information about the company and the job. This information could include details of minimum entry level requirements, pay, training arrangements (commitment to on-the job training, nature of formal (off-the-job) training, career progression opportunities and other issues such as access to public transport. This information can then be used by a potential new apprentice to make a more informed decision on what to expect from a particular employer and job.

Intermediaries such as employment brokers may need to seek feedback from employers offering to take on new apprentices as to the suitability of the candidates referred to them. Where an employer's selection processes are not systematic, the employment broker may need to offer help to make specifications clearer and selection processes more consistent and responsive. A more realistic description of the new apprentice position is likely to result in better matches.

Improving the in-work and training experience

Post-take-up support: Roles for employers and intermediaries

The survey results suggest that the most precarious time for a new apprentice is up to the first four months, with particular problems likely to manifest themselves in the first four weeks. Therefore, new apprentices should be able during this critical period to seek outside support to resolve any difficulties that they may be encountering.

The need for improved support mechanisms was suggested by a number of the non-completing new apprentices surveyed. An employer surveyed suggested the need for a 'closer government body who works with the business ... Should do one-on-one with apprentice to hear about problems'.

The idea of having a mentor to whom the young person could turn to for advice and to act as an advocate if necessary was also supported by several focus group participants. K., the former trainee in waitressing, said her preference was for 'someone who can actually do something about it when they find out that they are not doing what they are supposed to be doing'.

The concept of a 'fair employment standard' for apprentices and trainees received strong endorsement from the focus group feedback from both employers and former employees. One means of supporting such a standard is the use of State- and Territory-based Apprenticeship and Traineeship Ombudsman offices. Queensland has created such a position. However, the focus of the office is on the training aspects of the relationship ('adequacy of facilities, range of work and supervision provided by the employer, the

circumstances in which a training contract was signed, amended or cancelled, failure by the employer to register the training contract or failure of the apprentice or trainee to make progress under the training plan').[15] There is a case to be made for broadening the Apprenticeship and Traineeship Ombudsman's role to include a 'fair employment' standard as well.

The survey results also showed that recommencing new apprentices were more likely to have been initially placed with a small employer (especially those with less than ten employees). Employers who are too small to provide their own on-site support through a mentor may need to have access to post-employment support from various sources related to employment matters and/or to training matters.

Forms of support for small employers could cover mentoring, training and personal issues. It could be delivered via telephone or through on-site counselling for new apprentices, and trouble shooting on job-related problems with employers. Mentoring assistance could include help with induction training, and information on the competences required of the coaching role expected of a work supervisor. Assistance with training could include help with developing a training plan, integrating off-the-job training with on-the-job training, assistance with completing a record of training, and feedback on training progress against the training plan.

There may be scope for training providers to play a greater mentoring role. Forms of support that the off-the-job training provider could provide are: assistance with developing a training plan, seeking ways to better integrate off-the-job training with on-the-job training, seeking feedback from new apprentices on the quality of both the on-the-job training and acting as a go-between where there is evidence of poor practice. The co-ordinator of apprenticeships and traineeships in the large service station chain in Sydney explained that their training provider had put in place a mentoring program which had proved to be highly successful:

> *There is an external Registered Training Provider which manages the traineeships in partnership with the company. They have also set up a mentoring program—the 'auto care mentoring system'—under which each trainee is allocated a mentor. Generally the mentors are not on-site at the apprentice's workshop. They also have special night time events, when parents can come along and meet the mentors. This has proved very successful. We will extend this to our retail trainees.*

Specific focus on the needs of older new apprentices

New apprentices aged 25 years and over are a significant group among the total population of new apprentices. NCVER reports that new apprentices aged 25 years and over accounted for 41% of commencements in the year ended June 1999 (NCVER 2001). Only 26% of the non-completers surveyed were aged 25 years and over, suggesting that non-completers among older new apprentices are under-represented. However, if the age profile of non-completing trainees alone is considered, the proportion aged 25 and over is 40%, similar to their proportion in the overall population of new apprentices.

Older former apprentices are over-represented among those who were unemployed at the time of the survey. Older trainees are over-presented among those in a similar or worse job without training.

Apprenticeships, as distinct from traineeships, remain the preserve of young people. Australian Bureau of Statistics data for 1999 show that 91% of apprentices are aged 24 years and under. This suggests that those 25 years and over undertaking an apprenticeship may face particular difficulties operating in a system that is still strongly oriented to the learning styles and operational needs of young people. The evidence suggests that adult apprentices continue to face barriers to entry in the male-dominated traditional trades. Only 7% of apprentices in 1999 are aged 25 years and over in these trades compared with 20% of apprentices in 'other fields' (ABS 2001, p.105).

It is recommended that State and Territory Governments seek more detailed information from the older non-completers who were older age apprentices about the difficulties they

[15] Apprenticeship and Traineeship Ombudsman, Department of Employment, Training and Industrial Relations, Queensland Government, September, 2000

faced in undertaking an adult apprenticeship. Specific attention should be directed at measuring the take-up and completion rates of adult apprentices in relation to industry sectors where young people still predominate (e.g. Automotive, Electrical and Electronics, Construction, Plumbing, Food, and Skilled Agricultural and Horticultural).

Older trainees may also benefit from closer scrutiny of their training needs and employer attitudes. To what extent are traineeship training arrangements geared to ways that adults learn new skills. This was a particular concern raised by one older trainee in the focus group discussions. He believed that sufficient use was not made of the recognition of his prior learning as a purchasing officer? Does the on-the-job mentoring, where it is available, adjust to meet the needs of older trainees?

Older persons seeking to enter a new apprenticeship are most likely to have previous job experience and skills. However, if their skills and work experience are not relevant to the industries or occupations in which there are skill shortages, they may need similar assistance. As proposed above for young potential apprentices and trainees, older job seekers seeking to retrain through a new apprenticeship could also be offered an entitlement to a skills assessment. This could be followed up with other forms of assistance such as counselling and help with childcare. This assistance may need to be complemented by skills training and post-employment support.

In relation to existing employees, Commonwealth and State incentive payments to employers for employing a new apprentice is subject to specific conditions.[16] These conditions have been tightened recently to discourage 'double dipping' where an employer received an incentive funding for an existing employee starting a Certificate II and then a Certificate III. These tighter conditions for existing employees will help minimise the practice of employers claiming the payment and then not following through with the training.

Other policy suggestions

Highlighting the value of the contractual relationship

Several small employers in the focus group discussions noted that the obligation falls on them to provide the on-the-job training but there appears to be no corresponding responsibility on the apprentice or trainee to complete their contractual obligations. A suggestion that emerged from discussions was the need to emphasise to the prospective apprentice or trainee the disadvantages for them of unilaterally ending their contract of training. Legally both parties are required to notify the authorities that the training contract is cancelled.

It was proposed that greater attention be paid by State training authorities to stressing the importance of the contractual relationship to apprentices and trainees, including the benefits of changing their contract of employment and/or training and recommencing with another employer. This could help to preserve the value of the contract as an instrument that both meets the needs of two parties and is flexible. High recommencement rates for apprentices indicate on the part of apprentices a strong acceptance of the value of the qualification, independently of a particular employment relationship. More insistence by State training authorities on the value of the contractual relationship to both parties, particularly in relation to training, may help to enhance the value of a traineeship. This may also help enhance the 'brand' reputation of a traineeship to prospective trainees and encourage employers to continue to offer traineeship places.

[16] The web site of the Victoria Office of Post Compulsory Education Training and Employment notes that 'Employers who commence existing employees in a training agreement are generally eligible for Commonwealth incentives only: if the employee has been employed by the company for less than 3 months full-time or 12 months part-time or casual or where the maximum full-time duration of the training agreement being entered into is 2 years or more. However, an existing employee who is commencing a Certificate III apprenticeship and has completed a Certificate II qualification in the preceding 12 months may be eligible for Commonwealth incentives. The Victorian Government will not fund training for existing employees entering a training agreement if they have been working more than 3 months full-time or 12 months part-time/casual other than in exceptional circumstances where denial of funding would severely disadvantage the career prospects of the employee.'

Highlighting completion as a key performance issue

The general context for a set of policies aimed at improving completion rates needs to be established by developing a reliable measure of completion that can be disaggregated to the operational level. One important stakeholder for whom completion rates are an important indicator of program effectiveness is the Commonwealth Government as the provider of $1.5 billion over four years for incentives for employers and assistance to new apprentices. State and Territory governments as well as employer associations and unions are also likely to have particular interest in completion rates to demonstrate that the skills needs of industry are being addressed.

> *All the major stakeholders will not see completion as a major objective unless it is regularly measured and reported on at levels that are likely to influence the behaviour of the key stakeholders. In response to the suggestion made to focus group participants that completion statistics be published at a national, State and industry level, the need for consistent and timely data was emphasised by a senior manager in a group training company:*
>
> *I think the challenge with that one, though, is to be able to collect nationally consistent data and if you collect data at the State level and then you funnel it up nationally, often there is a massive gulf between State data and national data ... Like some of the national data that's provided, it could be a year out of date. That's just useless to industry. That's just history. You need what happened in the last three months, last six months, that's about as far as you can go back.*

State and Territory administrative data collection procedures need to be consistent nationally and reliable to provide accurate information on completion. It is recommended that nationally consistent data be provided on an industry and regional basis and should include recommencements at the disaggregated level. Such a reliable measure, once in place, could also be used as a basis for offering an incentive payment to intermediaries for lifting completion levels.

In addition to disaggregated administrative data on completion rates, it is also proposed that information also be collected through sample surveys on levels of new apprentice and employer satisfaction. These surveys could also provide information on changes to workplaces employing apprentices and trainees that are consistent with the National Code of Good Practice for New Apprenticeships. It is, therefore, proposed that a yearly national survey of new apprentices and their employers be conducted.

These surveys could be similar to the graduate destination surveys in the formal vocational education and training (VET) sector and the survey of employers of recent graduates of the VET sector. The surveys should have samples large enough to permit State/Territory and industry disaggregation. It is further suggested that these two surveys have sub-samples that are matched so that the possibility of changes in differences in the expectations of the two parties can be noted. A program that spends perhaps $1 billion or more a year of tax payers money can easily justify expenditure of $1 million a year on data collection to enable regular assessments to be made of its cost-effectiveness.

The surveys could seek information in relation to:

- levels of satisfaction with a variety of aspects of the employment and training relationship
- pay levels and the amount and quality of on-the-job training received
- amount and quality of formal or off-the-job training received
- rating of employers against 'good employer, good trainer' criteria
- levels of satisfaction among employers with assistance provided by intermediaries
- levels of satisfaction among employers with services provided by employment brokers and off-the-job training providers
- level and source of outside support received by the apprentice or trainee and his or her satisfaction with the support
- intention of apprentice or trainee to complete the training with current employer

Conclusion

The above proposed policy options are not likely to have much impact on new apprentice completion rates if they are implemented as stand-alone initiatives. A comprehensive approach to improving completion rates is more likely to be adopted by key stakeholders if appropriate performance indicators are developed and published at State, regional and industry levels in relation to completion rates. Also important are measures of system inputs and outputs such as new apprentice job quality, the quality of the on- and off-the-job training and satisfaction. The above recommended strategies related to the better provision of information, better matching of job and training expectations and appropriate forms of support are more likely to be taken up by intermediaries and employers if there is a strong focus on performance on completion as a measurable outcome at national and regional levels.

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Appendix: Study design

To study the issue of non-completion, a research design was developed in conjunction with NCVER (and the study reference group) to conduct an original survey of non-completers and their, in most cases former, employers. This was then followed by a number of focus groups, at which the survey findings could be presented and probed to yield some qualitative depth, and to discuss possible strategies for reducing the level of non-completion.

Survey design

Choosing a sample

Under an agreement reached by Federal and State Ministers, each quarter NCVER is provided by training authorities with anonymised unit record data on apprentices and trainees 'in the system'. The data must conform to the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS). It contains a wealth of data on the personal characteristics and educational background of 'clients', some information on employer characteristics and details on the training contract.

The information contained on the database is, because of the standardisation required by AVETMISS, generally of a high standard. There is, however, something of a problem with lag times—it may take six months or more between an event occurring and its registration on the database. NCVER staff estimate that 95% of non-completions will have been recorded within six months of the event. We therefore chose to draw a sample of apprentices and trainees recorded as having withdrawn or cancelled their contract of training sometime in 1999 from the updated database as of end of June 2000.

Across Australia as a whole, there were almost 60 000 apprentices or trainees who withdrew or cancelled their training in 1999. There were also several thousand more whose contracts 'expired' (i.e. were due to complete in 1999, but the database does not record them as having done so), and a proportion of these, perhaps a third or more, are assumed to be non-completers.

This is not the place for an extended discussion of the characteristics of non-completers. There are, however, a couple of features of the non-completing 'population' that is worth noting. First, Victoria and, in particular, Queensland are over-represented. Non-completers from Queensland accounted for 27.5% of the total in 1999, and in Victoria 26.4% of the total. Most other States and Territories, with the exception of New South Wales—relatively under-represented at 24.7%—had non-completion numbers broadly in line with the distribution of the civilian adult labour force. Second, the age profile of non-completion is quite different between apprentices and trainees. Most non-completing apprentices in 1999 were under 21 years of age—just 20% were older than this—compared with trainees where the reverse was the case. In fact, one in four of all non-completers in 1999 were trainees aged 25 years or more.

Our sample was stratified by State/Territory, by apprentice or trainee—proxied by the AQF level and occupation[17]—by gender and by age. An equal-sized sample, of 400, was chosen for each State/Territory, and the implied distribution by apprentice or trainee, gender and age was deemed to be adequate for analysis purposes. That is, there was deliberate over-sampling of the smaller States and Territories, but *within* States and

[17] Apprentices were those undertaking a course of training at AQF level III or IV, and who were employed as tradespeople. All others were defined as trainees

Territories the sample was randomly chosen, with a constant sampling fraction adopted within each apprentice/trainee, gender and age strata.

Survey structure and questionnaire design

From the outset two key parameters in the survey design were set. First, there were to be equal numbers of non-completers surveyed in each State and Territory, so as to allow analysis to focus on State/Territory differences. This is because the new apprenticeship system, while overseen by the Australian National Training Authority (ANTA), is administered at State/Territory level. Differences in administration at this level (e.g. qualification for subsidies, support provided to clients) may be explanatory factors in non-completion.

Second, employers of surveyed non-completers were also to be surveyed, so as to obtain both main parties accounts of reasons for non-completion, and so as to allow the data to be matched. This latter facility is an especially powerful device for analysis, as it allows for various structural factors at the workplace level to be incorporated in the analysis which would have been unobtainable in a conventional individual-level survey. For example, only the employer would be able to provide us with accurate information on the extent of labour turnover in general in the workplace. It may be that apprentice/trainee non-completion is partially explained by working in workplaces with high levels of turnover.

The two questionnaires were designed following the completion of an issues paper and went through several iterations after discussions with the project reference group and after piloting. While design of the apprentice/trainee survey was relatively straightforward, there were two issues that proved more difficult to resolve with the employer survey.

The first of these was to strike the appropriate balance between collecting information on the particulars of the 'case' (i.e. the training contract between a named apprentice/trainee and a named employer) and on the general working and training environment of the workplace. The former would allow a parallel assessment of the reasons for non-completion as expressed by both sides to the contract, but militating against that would be identifying who should be the spokesperson for the employer and the data 'loss' that would arise where those with knowledge of the case were no longer working for the employer. This led us to opt for the path of using the employer survey to mostly collect information on the working and training environment, ongoing use of apprentices and/or trainees, and general views on reasons for non-completion.

The second issue was what to do in the situation that the apprentice or trainee was employed by a group training company (GTC). In these situations the apprentice/trainee has a relationship with the 'host' employer (i.e. where they are based) and with their legal employer, the GTC. The host hires the use of the services of the apprentice/trainee from the GTC. Such arrangements have expanded rapidly in recent years, and it was likely that a substantial proportion of surveyed apprentices/trainees would be GTC employees. The decision was taken that, for reasons of focus and consistency, the employer interview should be with the host employer.

Survey fieldwork

After sampling, training contract identifying numbers were supplied to all State/Territory training authorities to obtain name and address details of the apprentice/trainee and their employer. Because of the structure of the survey and several major problems with the employer information—for example, a high proportion with missing phone numbers, inadequate personal contact details, need to identify host employer information for those apprentices and trainees employed by a GTC—it was decided to run the survey sequentially.

The first stage was to mount the apprentice and trainee survey. This was undertaken in the third quarter of 2000, following an earlier pilot, and proceeded very well. The overall yield minimum target rate of 25% was met in most States, but fell below this in Tasmania and the Northern Territory. In Tasmania, 97 interviews rather than 100 were completed because of a disproportionately high missing phone number rate (27%). In the Northern

Territory, only 57 interviews were conducted. Besides an equally high missing phone number rate (24%), there were two other factors which explained the very low response here. The first was that many of the phone numbers were communal, and chosen apprentices/trainees were either unavailable or never returned calls made to them at those numbers. The second was that the Northern Territory sample contains a high proportion of young indigenous people who are more mobile than other groups. Subsequently, a boost Northern Territory sample was chosen and a further 43 interviews were undertaken. This means the total achieved sample for the apprentice/trainee survey was 797.

The second stage was to undertake the matched employer survey. Our starting point was the 797 apprentices and trainees who had been surveyed. Of these, 462 were surveyed in November and December 2000. The shortfall from the 797 is largely explained by two main factors. The first was that many of the employer details provided to us by State/Territory training authorities proved to be inadequately detailed or wrong—consequently, a large number of employers were untraceable. Second, a number of GTCs refused to provide details on the employer to which the apprentice or trainee had been placed when the contract of training was cancelled or withdrawn.

Analysis of non-response

The overall yield for the survey of apprentices and trainees was 797 returns from a total sample size of 3660. While a high proportion of the 3,660 were not required because the State/Territory quota of 100 responses had already been achieved, this is irrelevant for an assessment of possible response bias. There were very few people who refused to take part in the survey; the main determinant of taking part was an ability to trace the sample. What matters, however, in assessing non-response is whether the characteristics of those surveyed differ in any systematic way from those who were not surveyed, regardless of the reasons for doing so.

To test for response bias, a logit regression was conducted to estimate the relative chances of taking part in the survey across a range of known characteristics. The NCVER sampling frame contains a great deal of background information on the demographic and job characteristics of non-completing apprentices and trainees.

The following variables were entered into the equation:

- Sex
- Age
- Whether indigenous background
- Any disability
- Whether English first language
- Years of schooling
- Any prior training contract
- State/Territory in which training contract registered
- Full- or part-time working
- AQF level of training
- Occupation
- Type of employer (i.e. private sector, GTC, public sector)
- Industry of employer
- If expired contract

This model had very low explanatory power, which suggests that either other, unmeasured, factors accounted for variations in the probability of taking part or, more likely, that taking part was a more or less random event.

There were some characteristics, however, which the regression did identify as significantly associated with the chances of taking part.

First, as expected, anyone whose training contract was registered in the Northern Territory was significantly less likely to take part. This was because a reserve sample had to be issued for the Northern Territory. There was a two-in-three chance of someone based there taking part compared with a person with otherwise identical characteristics who was registered in New South Wales.

Second, even after taking into account the relatively low chances of taking part if based in the Northern Territory, those of an indigenous background were less likely to have been surveyed. Market Equity, the fieldwork agency, reported that many in the sample from the Northern Territory were part of Aboriginal communities that were served by only one telephone—or they had no telephone at all.

Third, young people were more likely to take part in the survey, with the youngest of them all, those under 18 years, the most likely. This is consistent with reports from Market Equity that younger people were easier to trace because many of them still lived at home and had parents at hand who could act as a conduit (e.g. arrange appointment times for interview).

Fourth, females were more likely to take part than males, the odds of doing so 5 : 4 in their favour after controlling for all other characteristics.

One final factor was English language ability—for 10% in the sample it was unknown whether English was their first language or not (compared with 86% with and 4% where it was not). This group, for reasons which are not at all obvious, were significantly less likely to take part when compared with a person who did have English as a first language and otherwise similar characteristics.

In the next section we describe how the weighting scheme adopted takes into account the differential yield rates for those based in the Northern Territory, for females relative to males, and young people relative to older age groups. After allowing for that, the only substantive known remaining bias in the data set is the under-representation of those from an indigenous background.[18]

Weighting of data

The data has been weighted to account for differences in the probability of selection, which as discussed varied only by State/Territory.[19] There were some variations in response patterns across other stratification dimensions such that, after weighting, some groups are slightly over- or under-represented—table 1 presents the results.

Male apprentices are slightly under-represented, as are male trainees, while female trainees are over-represented. The number of young people in the weighted survey sample is also higher than what it would have been if all groups had responded in equal proportion, the shortfall largely occurring in the 21–24 year old group. Nonetheless, as a whole the distribution of the achieved sample after weighting (shown in italics in the table) bears a very good approximation to that of the population from which it was chosen. Given this, we do not consider that any secondary round of weighting is required.

Table 1: Distribution of population and achieved sample (% of non-completers)

	Age on commencement				Total
	Less than 18	18–20	21–24	25 or more	
Female apprentices	2.7	2.9	0.9	0.6	**7.2**
	2.3	*2.6*	*1.2*	*0.3*	***6.4***
Female trainees	5.8	9.2	5.3	11.9	**32.3**
	6.3	*9.5*	*5.1*	*12.2*	***33.1***
Male apprentices	10.4	11.5	3.4	2.2	**27.6**
	10.7	*11.5*	*3.6*	*1.5*	***27.3***
Male trainees	5.9	8.4	5.7	13.0	**33.0**
	5.6	*8.4*	*5.6*	*13.7*	***33.3***
Total	**24.8**	**32.0**	**15.5**	**27.7**	**100.0**
	24.8	***32.0***	***15.5***	***27.7***	***100.0***

[18] Weighting to take account of this would have a negligible impact upon the results, as those of a known indigenous background were mostly located in the Northern Territory, which accounts for just 1% of the population of non-completing apprentices and trainees.

[19] More precisely, the distribution of the achieved sample by State/Territory has been weighted to match that of the sampling frame. This means that variations in non-response by State/Territory are disregarded.

Focus groups

Focus groups were conducted in Adelaide, Melbourne and Sydney. Respondents to the surveys in these cities were asked whether they would like to participate in a focus group to discuss further the issues raised in the interview. Potential participants were sent a letter inviting them to take part in a focus group. A payment of $40 for apprentices and trainees was offered to cover travel and other incidental expenses. Follow-up contact was made by telephone to explain the purpose of the focus group and to find out whether they were willing to participate.

Despite initially indicating an interest in participating through the survey and a further verbal commitment to come to the focus group from those contacted, the actual number of non-completing apprentices/trainees and their employers participants was low—in total, ten former apprentices and trainees (two of whom were accompanied by their mothers), and eleven employers, of whom seven were representatives of group training companies. The low level of participation could be due to several factors. The money may not have been a sufficient incentive for non-completers, especially given the broad geographical spread in each of the cities making it difficult for many to travel to the selected venue. Second, the difficulty of finding a suitable time precluded others from participating because of shift work or other commitments. In terms of employer participation, working with apprentices and trainees as a core activity appeared to be the major determinant of interest.

Several features about the non-completing apprentice and trainee participants are worth noting. Seven of the non-completers were trainees and three were apprentices. Only two were currently unemployed. Of the eight currently employed, half had continued on as apprentices or trainees. Eight non-completers were aged under 25 years of age and two were aged over the age of 45 years. A range of industries/occupations are represented. In these respects, the profile of non-completing apprentices and trainees is representative of the larger population of apprentices and trainees.

However, in another respect, they are not representative. It needs to be emphasised that they are a self-selected group. This means that, in all cases, they had a particular interest in participating in the focus group. They wanted to tell the story of their unsatisfactory experience and, in many cases, to lay the blame on other parties for not completing their apprentice or traineeship with an employer. Six of the apprentices and trainees were placed with small business employers and were themselves young. Most of the problems these young people encountered with their employer—lack of variety in the work, lack of training opportunities, petty harassment and a sense that the employers was, at best, just coping—can be traced to the fact that they are small businesses. It is important to note that the experience of working for medium to large businesses (i.e. 100 employees or more) are not well represented nor did any of the employer participants directly represent this group.

It has already been noted above that the employers who agreed to participate were mostly representatives of group training companies. This reflects their core interest in the issue. These participants also offer a valuable source of information about the strengths and limitations of the current arrangements and their impact on non-completion because they are dealing with the issues on a daily basis.

The focus groups all followed a common format. This consisted of an overview of the findings from the survey of non-completing apprentices and trainees and an outline of ideas for trying to reduce the number of people who stop their training. The results of the employer survey were not available to be included in the presentation. Participants were invited to comment on the survey findings and, in particular, whether they found any of the findings surprising. The latter part of the focus group concentrated on discussing the ideas for change suggested by the survey respondents and some preliminary thoughts from the consultants on recommendations for changes to policy.

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ISBN 0 87397 788 2 print edition
ISBN 0 87397 789 0 web edition